Annual Report **2022**

Aggregate

Content

01 Introduction

Letter from management

> *Our plan for 2022 was to sell assets in order to reduce debt. In light of market conditions, the company delivered a successful execution of this plan, selling five out of the seven segments of Quartier Heidestrasse."*

Cevdet Caner
Chief Executive Officer

Dear Stakeholders,

2022 was a challenging period in the real estate sector and financial markets, with the war in Ukraine triggering sustained inflation and subsequent significant and ongoing interest rate rises. The impact on real estate markets has been a significant increase in yield expectations and a reduction in valuations, plus very importantly, a significant reduction in liquidity in terms of both transactions concluded and financing availability.

Our plan for 2022 was to sell assets in order to reduce debt. In light of market conditions, the company delivered a successful execution of this plan, selling five out of the seven segments of Quartier Heidestrasse in 2022, representing transaction value of c.€950 million on a completed basis. In 2023, Aggregate conducted further sales of VIC Properties, at an enterprise value of over €670 million, and QH Crown I was sold at a 90% premium to cost. These sales reflected the fundamental quality of our asset base. However, this volume was less than originally planned, which has impacted debt reduction and liquidity.

We have been working on a number of refinancings, including those of QH-Track and Fürst. There have also been discussions regarding the refinancing of other facilities, including those at the Castle portfolio. We are in discussions with the majority of our creditors to agree the required extensions and refinancings of the relevant debt facilities, and to achieve any required amendments or waivers where facilities are in default, as well as to secure additional funding.

As these discussions have not concluded as at the date of this report, the Company's auditor was not able to make a positive determination on the going concern basis of the group at this time. As a result, the company decided to approve the issuance of the results on an unaudited basis in order to meet our commitments to investors. We intend to reissue these results on an audited basis when and if the material refinancings have been completed, although in this environment we can of course not guarantee the refinancings will be successful. The eventual outcome of these negotiations will likely result in a reduction in Aggregate's equity interest in some or all of the projects, and if unsuccessful these negotiations may result in a restructuring and/or Aggregate not having any interest in some or all of the projects going forward.

During 2023, we intend to continue focussing on agreeing extensions and refinancings to the relevant debt facilities, to address defaults and to achieve any required amendments, waivers, extensions or refinancings. The aim is to ensure that QH-Track and Fürst are fully-funded through to completion. The group will focus on further debt reductions across its portfolio to enable the group to be positioned for a future recovery in real estate values and for a rise in the value of its projects as they are completed and let.

02 Aggregate Holdings overview

Aggregate Holdings

Aggregate Holdings S.A., headquartered in Luxembourg is a German focused real estate investment company. Aggregate actively evaluates investment opportunities in large-scale residential or commercial real estate developments, and often mixed-use projects to acquire and create vibrant neighbourhoods and commercial hubs in key locations. Aggregate is currently focussed on debt reduction and extension in the current environment.

> How we work

Aggregate invests in both real estate companies and development projects, with the concentration on undervalued assets and special situations with the potential for significant value creation. The company applies a diversified and sustainable long-term value creation approach, paving the way for ground-breaking real estate developments.

At the end of FY 2022, Aggregate had €4.7bn of total assets and a €5.3bn appraised gross development value (GDV) project portfolio assets held in the Build & Hold strategy.

The group had three strategies; Build & Hold (“B&H”); Build & Sell (“B&S”); and Financial Real Estate Assets (FREA).

The company’s core strategy is now focused on Build & Hold, following the sale of its Build & Sell division in May 2023.

As a fully integrated real estate development platform, Aggregate Holdings is covering the entire value chain in its investments: from acquisition and financing to planning, development and marketing with the aim to then possibly either sell to third parties or preferably keep as yielding asset for the long-term. 2022 has seen progress and optimisation of key development projects.

Photo: ‘Quartier Heidestrasse’ - Berlin

> Key Highlights FY 2022

€4.7bn
Total Assets

1.2m sqm
Build & Hold Gross Floor Area

€5.3bn
Build & Hold GDV

c.€210m
Build & Hold Rental Income
(Upon stabilisation)

783K sqm
Total land ownership in Germany

€3.0bn
Investment Properties, incl. Under Development

Our management

Management Team

Cevdet Caner
Chief Executive Officer

Track record of more than 300 transactions in Germany, UK, USA and Japan, across acquisitions, equity, and debt. Cevdet Caner is a leading investor in the real estate market in Germany. Cevdet helped substantially grow and develop a number of private and public Real Estate companies in Germany, through assisting in deal sourcing, financial structuring, capital markets activities, investment exit negotiation and finalization.

John Nacos
Chief Investment Officer

John Nacos has over 30 years of experience in the financial industry in New York and London, having been Global Head of Commercial Real Estate debt at Deutsche Bank AG. John served as Supervisory Board member at CA IMMO, a Vienna-listed property company from 2015 to 2019 and was instrumental in steering the company's success. At Aggregate, John Nacos is responsible for acquisitions, investments and finance. He is also currently Interim Chief Financial Officer.

Boris Lemke
Investment Director

Boris Lemke was previously Director at Deutsche Bank, heading up the London based team focussing on private debt syndicate. He has over 20 years experience in the financial industry with 16 years at Deutsche Bank's Investment banking division and 3 years at Morgan Stanley's Investment banking division. Boris Lemke is responsible for deal structuring, investment trading, capital markets and syndication interests.

Advisory Board

Michael Cohrs

Chairman

Originally from the United States, Michael Cohrs is highly experienced in German business, having served as the Head of Global Banking for Deutsche Bank. In this capacity, he advised some of the world's leading corporations and investment funds. Following that, he served on the Court of the Bank of England.

Luciano Gabriel

Advisory Board Member

Chairman of the Board of Directors of PSP Swiss Property AG, a listed Swiss property company with over 9 billion Swiss francs of assets and a history of strong, stable financial performance. Former Chairman of EPRA, whose mission is to promote best practices and transparency among European listed real estate companies.

Peter Solmssen

Advisory Board Member

Served as Managing Board Member and General Counsel of Siemens and, after that, Executive Vice President and General Counsel of AIG. Co-founded and led a network of lawyers, academics, NGOs as well as prosecutors that assisted the OECD in setting standards to fight corruption and to foster integrity in global business.

Board of Directors

Günther Walcher

Chairman and Founder

Günther has over 40 years of experience as a founder of, and investor in, major businesses both inside and outside the real estate sector. In 2015, Günther set up Aggregate Holdings SA below Lavinia BV, which he founded in 1998, as his European Real Estate structure primarily for German investments.

Cevdet Caner

CEO and Director

Prior to becoming CEO of Aggregate, Cevdet was an advisor to the company, with a focus on deal sourcing, structuring, and investment negotiations. He is now a Director at Aggregate Holdings SA and a member of the company board.

Massimo Longoni

Director

Massimo has over 25 years of experience in the finance and private equity industry across Europe. Founded Groupe Electa S.A. in 2003 and is, inter alia, an independent board member in a few selected AIFMs (Alternative Investment Fund Managers), managing mainly large pan-European investments funds.

Elena Guaraldi

Director

Over 10 years of experience in the finance industry. Since 2014, corporate and client relationship manager at Groupe Electa S.A., in charge of corporate procedures, including legal, technical and administrative aspects.

Valérie Ravizza

Director

Over 29 years of experience in domiciliation and management of companies in Luxembourg. Worked as corporate manager at Global Trust Advisors S.A. Board member in a number of private equity firms and she is responsible for a client portfolio based mainly in Europe.

03

Business overview

Aggregate Holdings S.A. is a real estate investment company, with business interests mainly in the German real estate market and also formerly in Portugal. Aggregate is a significant investment real estate company in Germany, focused on cash-flow yielding assets, development and financial real estate assets.

Aggregate's strategic focus is to acquire undervalued assets and optimise their scope and scale. Following their optimisation and development, the assets will either be added to the portfolio as yielding properties or sold to institutions and individuals. In the current real estate environment, Aggregate is focused on reducing debt, refinancing assets and extending loans to allow for the full funding of assets to completion.

> Sustainable value creation strategy

Off market relationships, scale and entrepreneurial vision, deliver superior returns

Sourcing of investment opportunities

Acquisition and restructuring

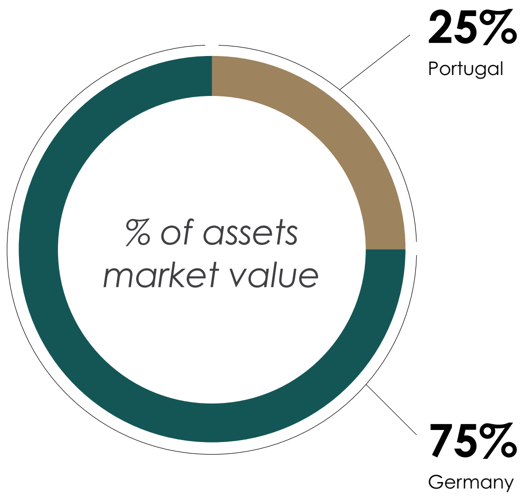
Delivery

Yielding assets in excellent locations or platform exit

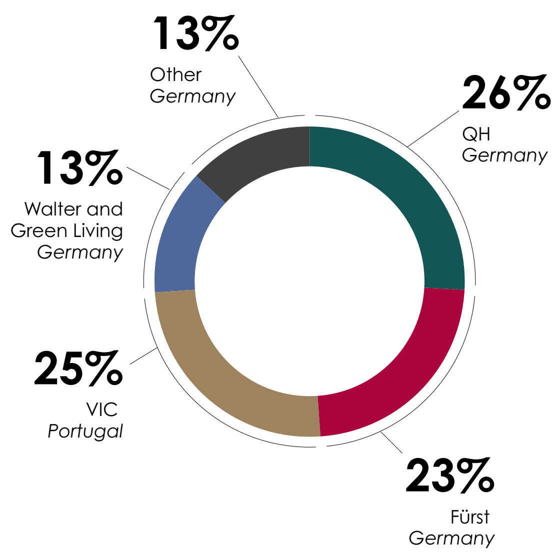
Value and cashflow creation process

> Country exposure

(as of FY'22)



> Market value distribution of tangible assets (as of FY'22)



Note: Following the sale of VIC Properties in May 2023, Aggregate country exposure 100% in Germany

(as of FY'22)	Build & Hold	Build & Sell	Financial Real Estate Assets
Key Assets (Year end 2022)	Quartier Heidestrasse, Fürst, Walter, Green Living (Berlin)	VIC Properties (Portugal)	Other non-core real estate assets c.4% stake in ADLER Group Loan assets
Operational Focuses	Planning optimisation Building permit obtained Construction of asset Letting phase Long-term active asset management Recurring cash-flow & rental QH: Sale process	Planning optimisation Building permit obtained Projects sold in advance to retail and institutional investors in parallel with construction Transfer of ownership at completion Revenue generation	Strategic long-term vs short-term investments Number of strategies can be applied Various investment timeframes Focus to maximise shareholder value Successful disposals Cash-flow generation
Future Evolution	Commercial / Mixed-use Germany/Berlin	Well-defined project pipeline - Lisbon - Comporta / Algarve	Strategic stakes and Asset sales Current stake of c.4% in ADLER Group
Investors	Institutions	Individuals and Institutional potential	Financial markets, corporates and real estate investors

Key Achievements in 2022

February

An independent report issued by Hogan Lovells International LLP found no evidence to support any allegations made against Aggregate Holdings SA by various short sellers regarding Adler Group SA, a leading German real estate group in which Aggregate holds c.4% strategic stake.

Hogan Lovells undertook a detailed review of all relevant documents, conducted face-to-face interviews, and carried out independent research over a three-month period to thoroughly scrutinise all allegations and deliver its report.

The report concluded that none of the allegations made in relation to Aggregate are supported by evidence and therefore have no foundation.

March

Aggregate successfully closed the sale of the five-star hotel L'Oscar and an adjoining historic building located in central London, to Aevis Victoria SA. **The total sale value amounted to £60m which achieved a premium to book value for the assets.** The closing demonstrated significant progress in the group's overall plan to de-leverage and focus on core assets.

£60m

sale of hotel L'Oscar in central London

July

Aggregate's ultimate beneficial owner Günther Walcher and the company Board decided to strengthen the Management Team, the Board, and set up an **Advisory Board** consisting of internationally recognised members. This was followed by Cevdet Caner being appointed as CEO, and joining the Company Board as Director and Co-Shareholder. Günther Walcher joined the Board as Chairman. The company also announced the highly regarded Advisory Board consisting of Michael Cohrs, Luciano Gabriel and Peter Solmssen

September

Aggregate agreed the sale of two segments from its **Quartier Heidestrasse** project for €456m, a premium to book value, to a consortium of investors. The sale of QH Core segment closed and the sale of QH Spring segment was signed. The segments had a total combined gross construction area of 85,095 sqm, which represented approximately 15% of the total value in QH. As part of the sale, the equity purchase price of €219m was paid with 5.5% 2024 Aggregate Bonds, this reduced Aggregate's net debt and leverage, and further simplified and streamlined Aggregate's capital structure. Total gross debt was reduced by €440m due to the transaction

€456m

sale of two segments

September

Project **Fürst** achieved the leasing and signing of an agreement for a 5D cinema for approximately 2,300 sqm of lettable area. The agreement was made with City Leisure Group ("CLG"), a leading provider of 5D attractions. Planned to be CLG's first experience space in Germany, the tenant's plans and unique concepts including the "Fly over Germany" ride on three floors are expected to attract around 500,000 visitors per year.

In December, Project Fürst continued signed an additional lease for 7,400 sqm with David Lloyd Leisure, leading provider of fitness and wellness centres in Europe.

Adding to the company's target to combine Grade A office space with retail, hospitality, entertainment, lifestyle, and history.

2,300 m²

leased for 5D cinema to CLG

April

Quartier Heidestrasse celebrated the completion of the shell of two buildings QH Colonnades and QH Straight. Deputy mayor and urban development councillor for the Berlin-Mitte district attended the event called the Roofing Festival. The event was well-received by the local community, showcasing that key developers continue to be valued for creating new living and business spaces. The two buildings will bring an additional c.62,748 sqm of gross floor area to the vibrant quarter, which consists of 34,302 sqm of lettable area focused on residential, office and retail use classes.

34,302 m²

of lettable area

May

The VIC Properties landmark project **PRATA Riverside** achieved a milestone by starting the construction of plots 5 and 6, which together equate to a total of 144 new residential units with 21,764 sqm of lettable area. Earlier in the year the segment successfully completed Plot 1, 107 units with a lettable area of 13,247 sqm, enabling the project to achieve c.€46m in revenue as of H1 2022. The first half of the year has seen unprecedented demand for high-quality modern residential units in Lisbon. Being well positioned, VIC Properties has once again effectively executed delivery to local and international markets.

€46m

in revenue as of H1 2022

May

Aggregate announced the planned sale of Quartier Heidestrasse, the largest and most innovative quartier development in Berlin. CBRE was appointed to conduct the sale process, the main purpose of the planned sale is to de-lever the group and provide additional optionality. Since the announcement, Aggregate has successfully transacted on six out of the seven segments in Quartier Heidestrasse, with a total achieved sales volume of c.€1bn.

September

Advisory Board members, Michael Cohrs (Chairman), Luciano Gabriel and Peter Solmssen held an inaugural in-person meeting to discuss market outlook, business strategy and governance with Aggregate management. Joint site tours of the Berlin real estate projects were conducted, led by the CEO Cevdet Caner at "Fürst" and "Quartier Heidestrasse".

September

Aggregate leased 23,000 sqm of mostly office space in **Quartier Heidestrasse's QH-Track segment** to a leading DAX40 group, the leaseholder became the second largest tenant in the QH behind SAP, which leased 37,000 sqm also in QH-Track. The achievement increased QH Track's pre-let ratio to 66% and added to the list of German bluechip tenants renting commercial space from the Group.

23,000 m²

leased to a leading DAX40 group

November

Aggregate sold three further segments of **Quartier Heidestrasse** for €488m completion value, the segments consisted of QH Colonnades, QH Straight and QH Crown 2. The three segments had a combined gross construction area of 91,668 sqm and a lettable area of 52,407 sqm. The sale agreement to a consortium was completed at a premium to externally appraised completion valuations. Increasing total sold segments to five and the combined sale volume to c.€950m in 2022, representing 1/3 value of full QH. This total sale volume increased to c.1bn in 2023 with the sale of the Crown I segment.

€1bn

total sales volume achieved

Build & Hold

Gold pre-assessment achievement from DGNB Construction Systems for sustainable construction

Build & Hold division's core assets are Quartier Heidestrasse (Track), Fürst, Walter and Green Living, all landmark and strategically located real estate developments. With c.755,000 sqm of lettable area and c.€210m of annual rental income upon completion, these are flagship projects in key Berlin locations. This division operates as a real estate developer, the focus is to either retain completed properties in its portfolio for the purpose of rental income or to crystallise value once projects are significantly stabilised.

Build & Hold Berlin

Quartier Heidestrasse

Quartier Heidestrasse, a cutting-edge urban quarter, located near Berlin's historic city centre, offering residents a mix of living, shopping, and working environments.

Quartier Heidestrasse ("QH") is the new mixed-use development currently being constructed and is mostly completed. The total project is part of the overall Europa City development close to the central railway station in Mitte, Berlin, with a gross floor area of 371,000 sqm and a lettable area of 236,000 sqm. Aggregate successfully crystallised c.€1bn worth of real estate sales in 2022 within project QH alone. All figures are on a 100% basis, prior to any sales of QH assets, unless otherwise stated.

Construction on the project began in Q4 of 2017, with the initial excavation works on the QH-Core segment. The decision to start with this segment was due to its mixed-use class, which includes a local supermarket to service the district, as well as both residential and office spaces, showcasing the innovative and sustainable nature of the development.

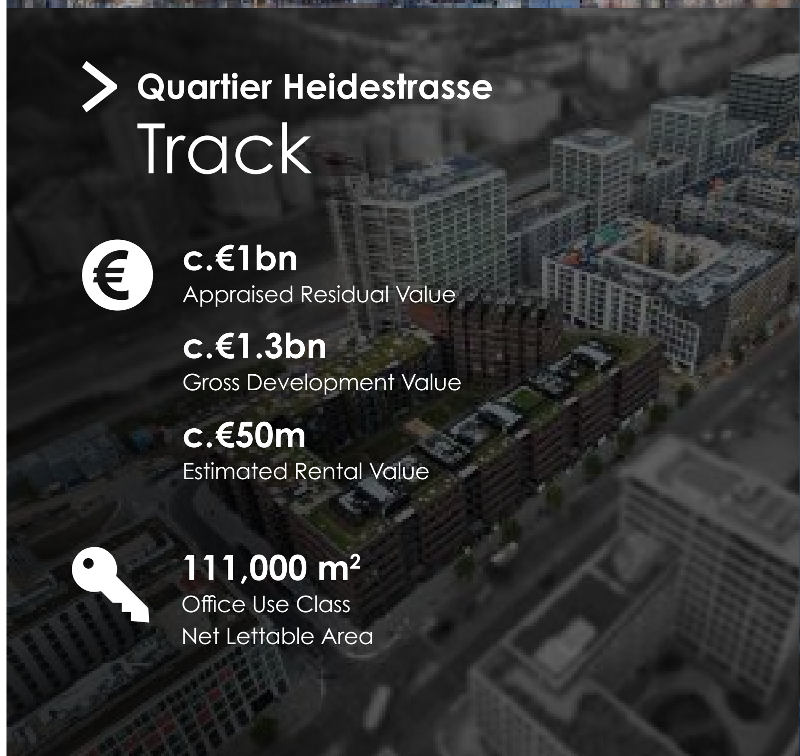
The area's technological innovation extends beyond smart building technology and e-mobility concepts to include an app that connects people, buildings, and urban spaces, promoting safe and relaxed neighbourhoods.

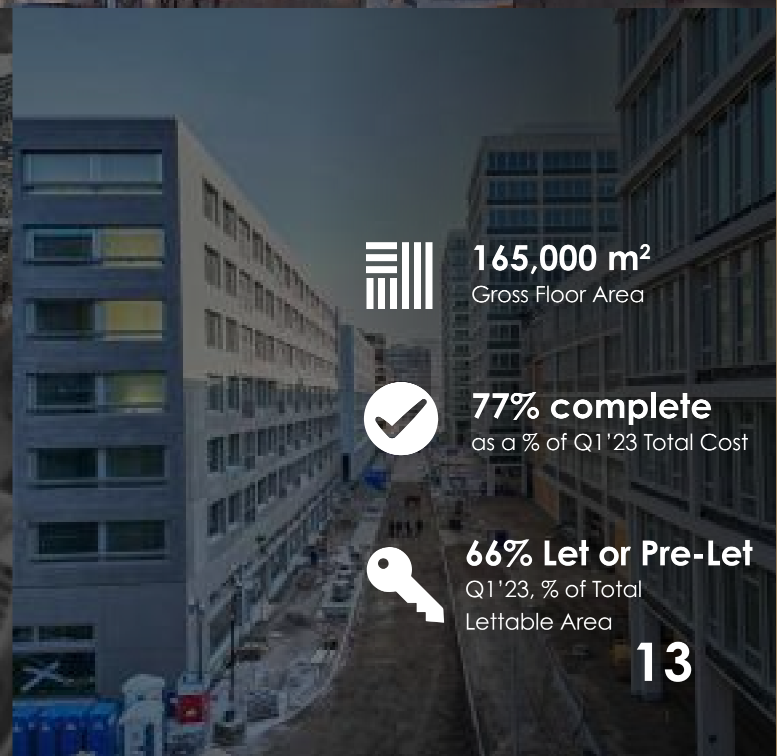
The buildings themselves are energy-efficient, featuring recyclable materials, and electric buses and intelligent street lighting contribute to Quartier Heidestrasse's environmentally-friendly approach.

Aggregate has successfully sold six out of the seven segments in Quartier Heidestrasse, with a total achieved sales volume of c.€1bn. Aggregate continues to own QH-Track, the largest building unit in Quartier Heidestrasse which is a pure-play office building spanning over 160,000 sqm of gross construction area and 111,000 sqm net lettable area. As of Q1'23, with a combined pre-let area of c.72,000 sqm, QH-Track has already achieved a total pre-let ratio of 66% and an expected rental income of more than c.€50m per annum. In September 2022, Aggregate leased 23,000 sqm in QH-Track to a leading DAX40 group that became the second largest QH tenant behind SAP, which has leased 37,000 sqm also in QH-Track.

236,000 m²	371,000 m²	86,000 m²
Net Lettable Area (100%)	Gross Floor Area (100%)	Land Area (100%)

60%	28%	6%	6%
Office	Residential	Retail	Hotel & Other





Build & Hold Berlin

Quartier Heidestrasse

2015 & 2016

- Aggregate Holdings acquires the land and takes over the development of the project. The planning process for the development of Heidestrasse begins, with the aim of creating a mixed-use urban quarter.

2017

- Construction of the first segment of the project, QH-Core, begins with excavation works in Q4. This segment includes a local supermarket and both residential and office spaces.

2018

- The foundation stone for the QH Core shopping centre, with flats and offices, is laid in September. Aggregate's local team is progressing the coordination of the development process, including the organisation of architectural competitions.

2019

- The Quartier Heidestrasse project is presented at the MIPIM international property fair in Cannes, France. Aggregate co-ordinating the construction planning, financing, control, leasing, and marketing of the urban quarter.

2020

- The QH buildings receive DGNB certification for sustainability. The QH Spring building, which includes a nursery, opens and contributes to the social and urban environment.

DGNB

2021

- Quartier Heidestrasse continues to take shape with more than two thirds of total construction completed as a percentage of cost. Phase 1 'QH Core' segment fully completed and 50% of total lettable office space let, including the anchor tenant SAP amongst other internationally recognised institutions.

Current signed Tenant Base includes:

Luther.
RGM Products Pty Ltd
PKV Verband der Privaten Krankenversicherung
SAP
REWE
dm
50hertz
Berliner Sparkasse

2022

€1bn

Aggregate sold six out of seven segments from Quartier Heidestrasse. Total transaction volume approximately €1bn, demonstrating Aggregate's ability to undertake successful transactions in a challenging macroeconomic environment and to acquire, develop and crystallise value in real estate developments.

Our commitment to Sustainability

QH Environmental

- Promotes **sustainable development** and incorporates environmentally friendly concepts, such as energy-efficient buildings, recyclable materials, and intelligent street lighting.
- Features **e-mobility concepts** and infrastructure to reduce carbon emissions.
- Received **DGNB certification** for environmentally friendly construction methods and construction management.

QH Social

- Includes a **nursery**, providing much-needed childcare services for families in the area.
- Expected to create hundreds of **new jobs** in the area, providing a boost to the local economy and contributing to the long-term growth of Berlin as a major business hub.
- Features an **app that connects people**, buildings, and urban spaces, promoting safe and relaxed neighbourhoods.
- Provides mixed-use spaces, including residential and office spaces, to **promote a work-live lifestyle**.
- Offers interactive **community areas and conference floors** to promote modern working environments.

QH Governance

- Managed by Aggregate Holdings, which has experience in managing large-scale developments.
- The project has undergone a rigorous planning and approval process to ensure compliance with regulations and standards.
- Committed to transparency and accountability, as demonstrated by its DGNB certification for sustainability.

Build & Hold Berlin

Fürst

Gold pre-assessment achievement from LEED Construction Systems for sustainable construction

The Fürst project is a prime asset located on Kurfürstendamm in central Berlin with 109,000 sqm of Net Lettable Area, targeted to be completed by 2024.

The Fürst project is a prime asset located on Kurfürstendamm in central Berlin with c.109,000 sqm of Net Lettable Area. The project is under construction and the first phase is already complete and yielding. The completed phase is mainly office-use with retail units on the ground floor; corporate tenants have moved in and started paying rent. The remaining phases are targeted to be completed by end of 2024.

The Fürst project is excellently located on one of Berlin's busiest and most prominent streets, Kurfürstendamm, benefitting from a prime location as well as a unique footprint as a mixed-use quarter. In September, Aggregate announced the signed lease with City Leisure Group for space for a 5D cinema expected to attract around 500,000 visitors per annum. In December 2022, Aggregate successfully signed a lease for 7,400 sqm with David Lloyd Leisure, one of the leading providers of fitness and wellness centres in Europe. More than 30% of total rental space is either already occupied by tenants or pre-let. Other signed tenants include Cells Bauwelt GmbH, Komödie Berliner Privattheater GmbH RTL Radio and Mindspace. Including the significantly progressed lease pipeline which are in final negotiations, total let and pre-let increases to 50%.

183,000 m²	20,000 m²	more than 50%
Gross Floor Area	Land Area	Completed based on Total Construction Cost as of Q1'23

60%	10%	17%	13%
Office	Retail	Leisure	Hotel & Restaurant

Berlin skyline from Fürst tower

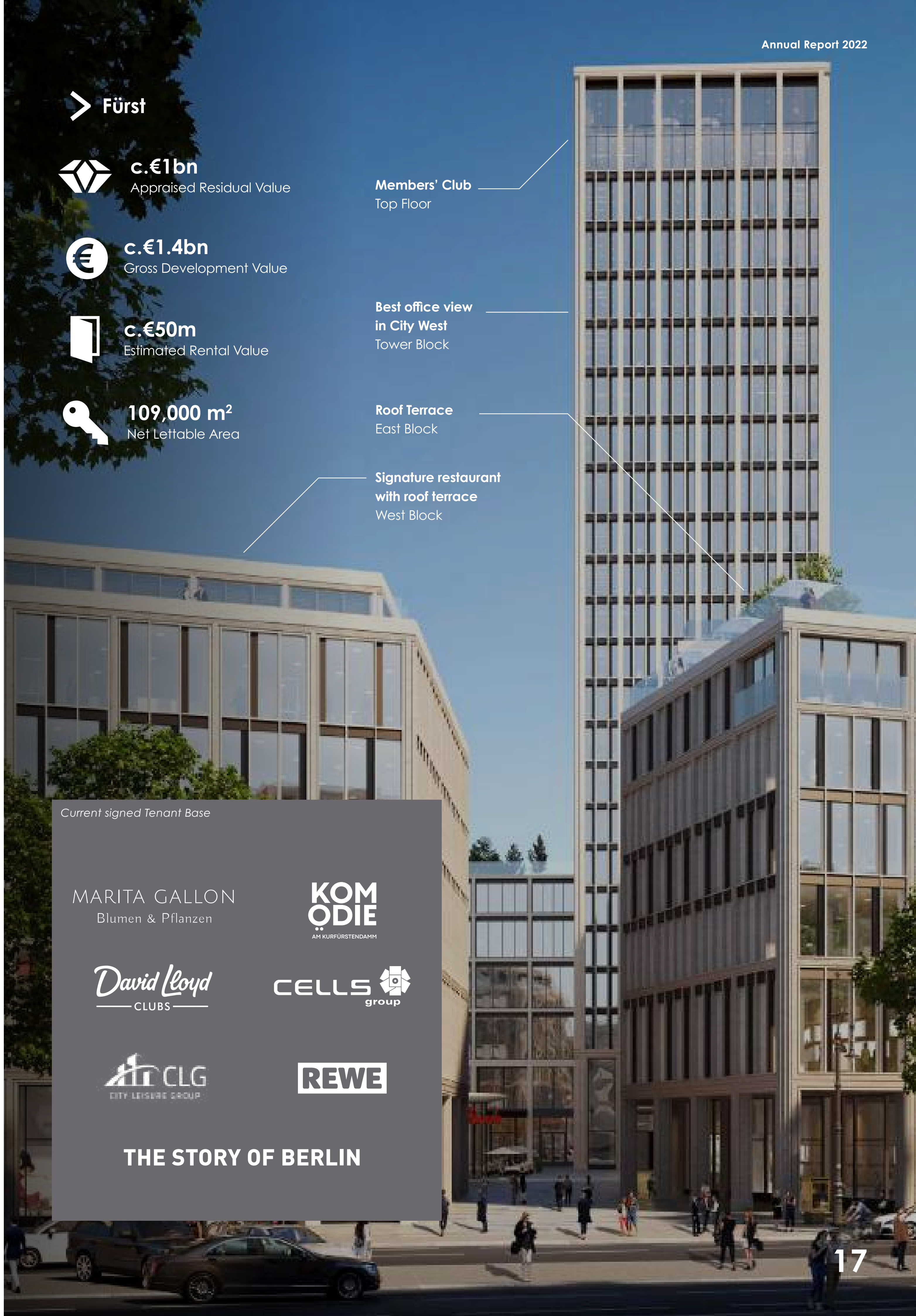
Fürst

c.€1bn Appraised Residual Value

c.€1.4bn Gross Development Value

c.€50m Estimated Rental Value

109,000 m² Net Lettable Area



Current signed Tenant Base

MARITA GALLON Blumen & Pflanzen

KOMÖDIE AM KURFÜRSTENDAMM

David Lloyd CLUBS

CELLS group

CLG CITY LEISURE GROUP

REWE

THE STORY OF BERLIN

Two significant projects in Berlin are planned be developed as Build & Hold projects. These developments, Project Walter and Project Green Living, will be constructed and progressed in the Build & Hold division as core yielding assets. Estimated rental value of c.€110m is expected to be generated once construction is completed in stages.

c.€110m Rental Value

Landmark Berlin Projects

Strategy Optimising

Build & Hold Berlin

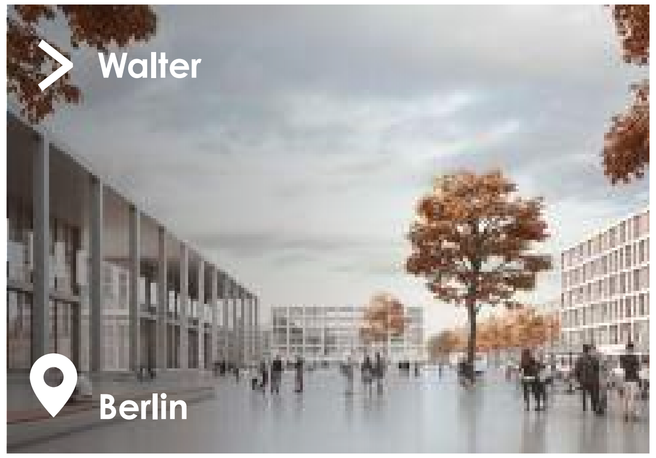
Walter

The project land plot area extends over 142,425 sqm and is located in Schönefeld, on the same access road as BER Airport, the new airport, just beyond the city limits of Berlin in the state of Brandenburg.

The project plot area extends over 142,425 sqm and is located in Schönefeld, a town near the new airport, just beyond the city limits of Berlin in the state of Brandenburg. The development will have a Gross Floor Area (GFA) of 395,000 sqm and a Net Lettable Area (NLA) of 241,375 sqm including parking. The project's NLA encompasses 165,500 sqm of office area, 44,000 sqm of hotel area, and 31,875 sqm of conferencing hotel area. The project plan includes 1,695 underground car parking spaces.

The project is located within the area of application of the local development plans "Landmarke" and "Bohnsdorfer Weg." A preliminary draft B-Plan was submitted in Q4 2020 and a confirmation of the development plan is anticipated by H1 2025.

Given the location near the new airport BER (Berlin-Brandenburg), the project has excellent accessibility by private/public transportation, and Aggregate has been approached by potential purchasers for certain parcels.



241,000 m^2
Net Lettable Area

€308m
residual value

c.€60m
Estimated Rental Value

€1.2bn
Gross Development Value

Build & Hold Berlin

Green Living

The project land plot area extends over 309,300 sqm and is located in Berlin's Treptow-Köpenick district, the residential project site is alongside the canal Britzer Verbindungskanal.

The project plot area extends over 309,300 sqm and is located in Berlin's Treptow-Köpenick district, the project site is alongside the canal Britzer Verbindungskanal.

The development will have a Gross Floor Area (GFA) of 447,000 sqm and a Net Lettable Area (NLA) of 294,296 sqm. The project is within the urban development concept "Leben in der Baumschule" and the project's NLA encompasses 147,200 sqm of residential area, 60,720 sqm of subsidised housing area, 51,600 sqm of office area, 25,920 sqm of retail area.
The development also includes c.4000 car parking spaces.

Plan to conclude the revision of the urban development framework by end of 2023, and application of development plan by end of 2025.

447,000 m^2
Gross Floor Area

294,000 m^2
Net Lettable Area

€213m
Appraised residual value

c.€50m
Estimated Rental Value

€1.4bn
Gross Development Value

Build & Sell

The Build & Sell division's core asset was VIC Properties, the largest real estate developer in Portugal, with two developments on the Lisbon waterfront and a development near to Comporta, just south of Lisbon. VIC's flagship project, PRATA, is completing its first phase and full completion will take place in 2025. The division operates as a real estate developer focused on the construction and sale of real estate to individuals and investors frequently via forward sales. Aggregate disposed of VIC Properties in May 2023.

Build & Sell Portugal

Matinha

Matinha is the largest residential neighbourhood project in Lisbon with c.245,000 sqm Gross Construction Area, delivering c.2,000 apartments.

A number of retail and restaurant areas, plus commercial/office units and a hotel will complement the residential units. The premium location on the river Tagus Prata Riverside Village and Parque das Nações, attracts both domestic buyers and international demand.

245,000 m²
Gross Floor Area

€1.3bn
Gross Development Value

€300m
Appraised Residual Value

2000
Total Units

2025
First Completion

€7.5K m²
Residential Sales Price

Build & Sell Portugal

Pinheirinho

2025
First Completion

827
Total Units

€432m
Appraised Residual Value

€7.6K
Residential Sales Price

€1.1bn
Gross Development Value

Pinheirinho is an excellently located leisure project, with a total Gross Construction Area of c.197,000 sqm for villas and town houses.

The development includes a boutique and a 5-star hotel incorporating an already completed 18-hole golf course. A fully valid development permit is already granted and the key infrastructure is almost complete. Located right on the Alentejo Coast in the exclusive Comporta region just south of Lisbon, with a vast shoreline of c.40km unspoilt connected sandy beaches.

Build & Sell Portugal

Prata

Prata is the large-scale flagship project in Lisbon and is considered to be the most iconic residential project under construction in Lisbon.

A central prime river front location in one of Lisbon's trendiest neighbourhoods, Marvila, offering 781 modern apartments over 129,000 sqm Gross Construction Area. This plot (with VIC's Matinha plot) are the only plots directly on the river Tagus between the city centre and Lisbon's modern business district Parque das Nações. Designed by famous architect Renzo Piano (architect of 'the Shard', London) it received SIL's "Best Residential Housing Development Award Portugal 2019".

129,000 m² Gross Floor Area	
2019 Start Construction	**2025** Full Completion
€550m GDV	**€309m** Appraised Residual Value

Prata

Lisbon

€309m
Appraised Residual Value

€7K m²
Sales Price

781
Total Units

Financial Real Estate Assets

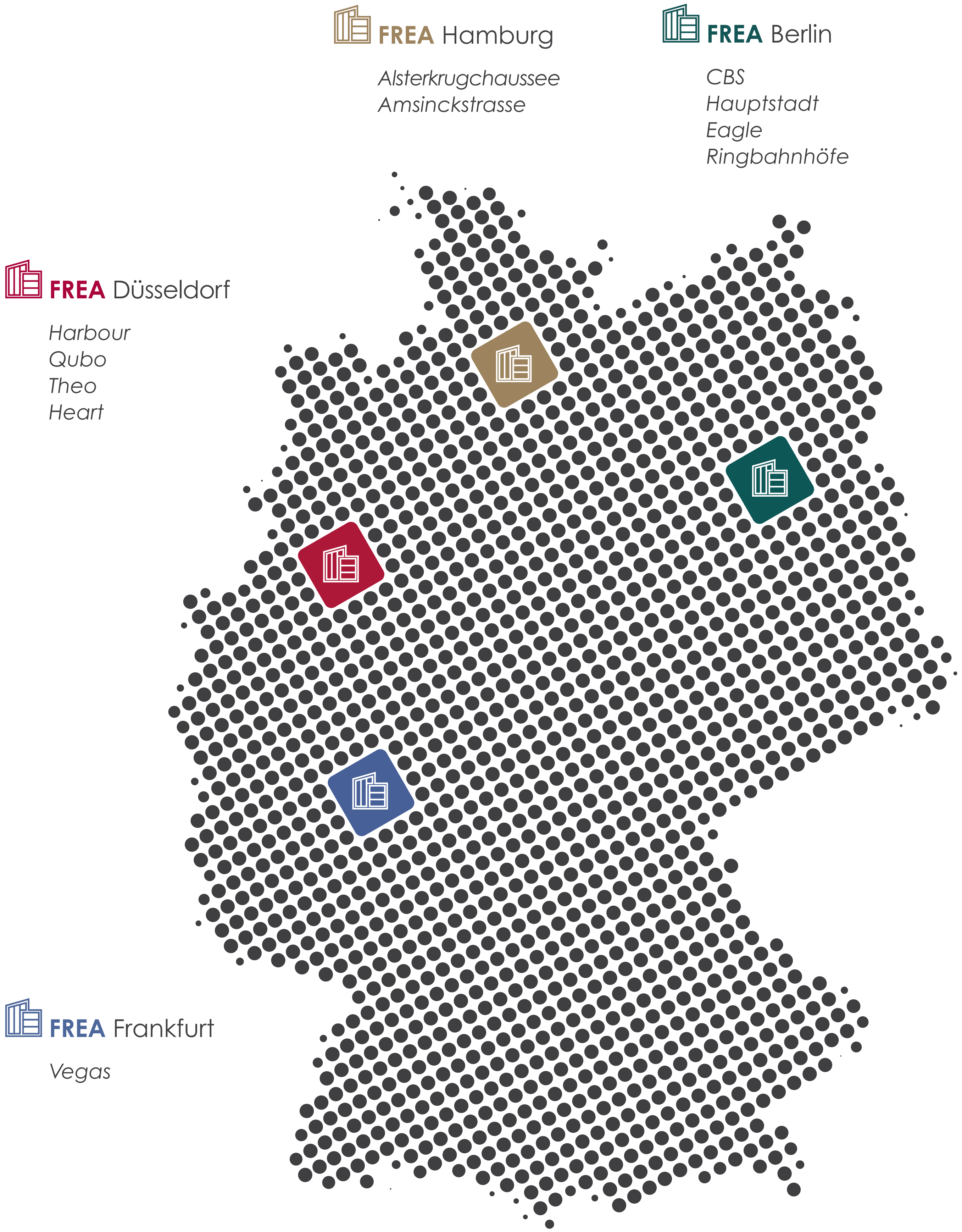
This segment includes various investments, which is the combination of strategic long-term and short-term investments. The different strategies can be applied across various investment time frames to either focus on maximising shareholder value or to create liquid investment profiles.

Aggregate has historically utilised this segment efficiently to hold stakes in some of the largest real estate companies in Germany and the German-speaking region. The segment currently holds an impressive development portfolio of eleven real estate projects, located in the major cities of Berlin, Hamburg, Frankfurt and Dusseldorf, as short-term investments.

Access to unique off-market transactions, through a long-lasting business network established across Germany, the German-speaking region, profitable utilization of own land reserves, ability to further optimize existing capital structure with best-in-class assets.

€1.2bn FREA Segment Total Assets	**100%** FREA Real Estate Assets in Germany
€546m FREA Appraised Real Estate Value	**c.4%** Adler Group Stake

Photo: 'Ringbahnhöfe' - Berlin



04 Management Report

Corporate Profile

Aggregate Holdings S.A. ("Aggregate") is a real estate investment company, with business interests now focused on the German real estate market. Aggregate is focused on developing cashflow yielding assets, through development of prime sites in Berlin and holding shorter-term financial real estate assets. In the current real estate environment, Aggregate is reducing debt, selling assets where required and practical, and financing assets to ensure that its projects are fully-funded through to completion.

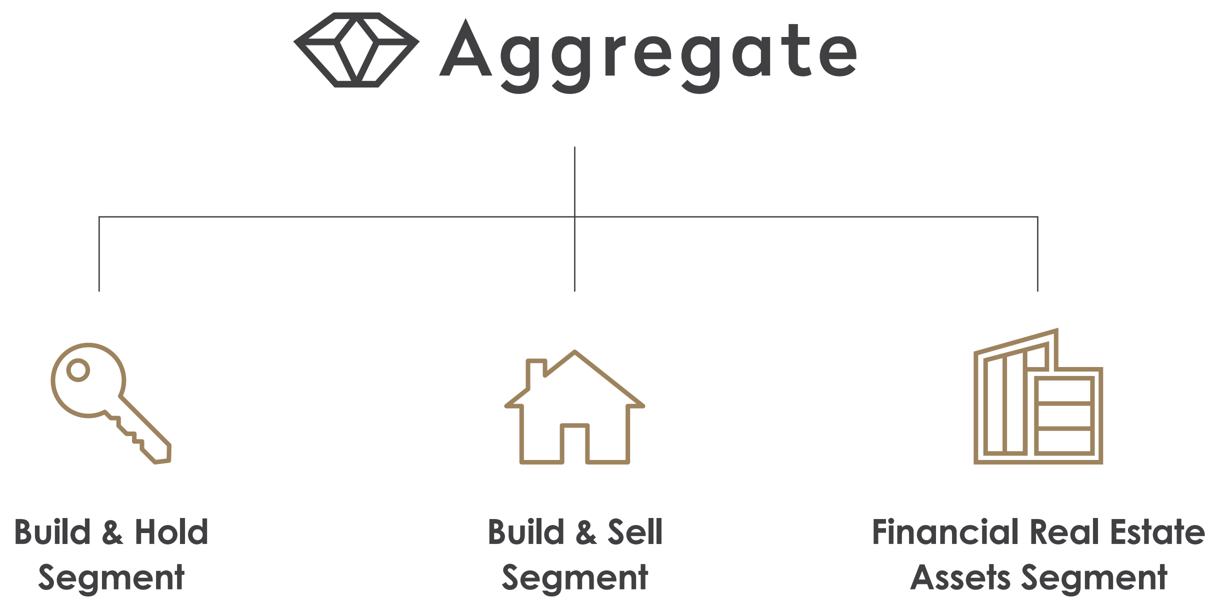
> Business Model and Strategy

Aggregate Holdings S.A.'s business model is based on investing in high-quality real estate assets that are either undervalued or have significant potential. The company's primary business segment is now "Build & Hold". Under the "Build & Hold" segment, projects are constructed with the intent of holding them for the long-term to generate rental income. Additionally, Aggregate Holdings S.A. is an active investor in private and public real estate assets that offer a value-add or long-term investment opportunity, which falls under the "Financial Real Estate Assets" segment.

Aggregate Holdings S.A. historically assessed investment opportunities in large-scale residential, commercial, or mixed-use development projects that have the potential to create lively and thriving neighbourhoods. The company typically sources these opportunities off-market through its extensive network, and they often involve special situations with the possibility of significant value creation.

From project acquisition and due diligence to financing, planning and development, all phases are managed by highly experienced management teams with a strong operational and transactional track record and supported by dedicated local teams. Following acquisition, the projects are often combined with further assets or the asset portfolio is optimised, and new management installed where required. If the assets are development assets, the development profile is optimised to maximise cashflow and value creation. On completion, the highest quality assets are retained as yielding assets, with other assets available to recycle capital into other opportunities.

In the current environment, Aggregate is focussed on debt reduction and refinancing and extension.



Build & Hold

Aggregate's Build & Hold division is centred on developing prime assets in Germany to retain as long-term holdings, generating stable, recurring cashflows once completed. The two major components of the company's Build & Hold segment are Quartier Heidestrasse, the largest and most innovative quarter development in Berlin and one of the largest real estate development sites in Europe, located in Berlin's central Europacity district, and Fürst, a landmark redevelopment in one of Berlin's most sought after commercial areas, Kufürstendamm. In line with the strategy to reduce debt, Aggregate has sold a significant portion of the Quartier Heidestrasse project in order to reduce debt, but retains the largest segment, QH-Track. In addition, two very significant assets acquired in 2021, Walter, a large site near the new Berlin Brandenburg International Airport, and Green Living, a large site between the airport and the Berlin city centre focussed

on residential, are also part of the company's future development plans.

Aggregate's plans are subject to the successful refinancing of its Build & Hold assets to ensure that they are fully funded through to completion for Quartier Heidestrasse-Track, and Fürst, and through to key development milestones for Walter and Green Living. In the current real estate financing environment, such refinancing has significant challenges.

As of 31 December 2022, the build and hold division accounted for €2.79 billion of Aggregate's total assets, and €2.49 billion of its liabilities. After minority interest of €215 million, this division therefore represented €85 million of the Equity attributable to owners of the Group.

> Quartier Heidestrasse Berlin

In FY22, Aggregate made a strategic decision to capitalise on the value it had created at Quartier Heidestrasse, one of the largest developments in Europe, by launching a sale process to sell the project, located in central Berlin city, either in whole or in parts. Subsequently, it successfully closed sales of five of the seven segments in FY22, with a further segment sold in FY23. Together, the sales announced in FY22 represented c. €950m of sales volume based on completion value. At end of FY22, QH Track and QH Crown I remained on Aggregate's balance sheet, which account for 56% of the project's overall Net Lettable Area (NLA), reflecting the fact that QH Track alone represents 47% of the project by NLA. In September 2022, QH signed a lease with a DAX 40 group to become the second-largest tenant at QH, with SAP remaining the largest tenant. This further demonstrates the appeal of QH to major blue-chip companies, who value its unique combination of new energy efficient buildings in a central Berlin location, with smart and sustainable infrastructure.

In April 2022 a junior debt facility related to QH Track, the largest segment of Quartier Heidestrasse, was refinanced and increased from €110 million to €370 million, with the €260 million of new funding provided by a large global credit fund. The primary uses of the new funding were a substantial paydown of mezzanine debt at Quartier Heidestrasse GmbH, and the funding of interest and other project cash reserves.

The first QH sale transaction concluded was the sale of QH Core to Vivion Investments S.à r.l. in September 2022. The equity component of the purchase price was paid for with Aggregate 2024 5.5% bonds, which reduces the consolidated net indebtedness of the group, alongside the reduction in project debt assumed by the buyer. QH Spring was also agreed to be sold to the buyer of QH Core, however, upon the occurrence of the subsequent sale to a separate buyer of three other segments, it was agreed that QH Spring would be sold to the second buyer.

The second sale transaction in November 2022 involved the sale of QH Straight, QH Colonnades, QH Crown II, and QH Spring, sold to a consortium. Aggregate and the existing project manager will continue to develop and manage the assets until completion. Net cash proceeds from this sale were applied to mezzanine debt at Quartier Heidestrasse in an amount of €162 million in FY22, and project debt was also assumed by the buyer.

At FY22, QH Track had an appraised residual value of €1.018 billion and a GDV of €1.277 billion, with construction ongoing. In addition, QH Crown I had a book value of €41 million.

> Fürst Berlin

Fürst is a landmark Grade A commercial development in Kufürstendamm, one of Berlin's top sub-markets. The Kufürstendamm area in which it is located is a prime shopping district, with a large number of high-end department stores. The Gross Floor Area under development by Aggregate is approximately 183,000m², with a Net Lettable Area of 109,000m2 across a mix of different use types. Land area of the project is c.20,000 m².

At year-end 2022, appraised residual value of the project was €951 million, and the management has an expected rental value of c.€50 million for the asset. The project is under construction and the first phase is already completed and yielding. The completed phase is mainly office with retail units on the ground floor. Corporate tenants have moved in and are paying rent. The remaining phases are targeted to be completed by end 2024.

The Fürst project is excellently located on one of Berlin's busiest and most prominent streets, Kurfürstendamm, benefitting from a prime location as well as a unique footprint as a mixed-use quarter. As of Q1 2023, more than 30% of total rental space is either already occupied by tenants or pre-let, and including significantly progressed leases which are in final negotiations, total let and pre-let increases to 50%. As of Q1 2023, more than 50% of the project is complete as a percentage of total cost.

Fürst has achieved a Platinum pre-assessment achievement from LEED Construction Systems. The highest possible achievement for sustainable construction from LEED Construction Systems.

> Walter & Green Living Berlin

The Walter in Berlin is located in Schönefeld, a town just beyond the city limits of Berlin in the state of Brandenburg where the new Berlin Brandenburg International Airport is based. The development is based on two adjoining development plans comprised of office and hotel use.

At year-end 2022, the project had a residual value of €308 million, and a Gross Development Value of €1.2 billion. The project plot area extends over 142,425 sqm, with a Gross Floor Area (GFA) above and below ground of 395,095 sqm and a Net Lettable Area (NLA) of 241,375 sqm. The project's NLA encompasses 165,500 sqm of office area, 44,000 sqm of hotel area and 31,875 sqm of conferencing hotel area.

The project plan includes 1,695 underground car parking spaces. The project is located within the area of application of the local development plans "Landmarke" and "Bohnsdorfer Weg". A preliminary draft B-Plan was submitted in Q4 2020 and a confirmation of the development plan is anticipated by H1 2025. Aggregate has been approached by potential purchasers for certain parcels.

Green Living is a mixed-use development located in Berlin. The project has an appraised residual value of €213 million and a GDV of €1.4 billion, as at year-end 2022. The plot area extends over 309,300 sqm and is located in Berlin's Köpenick district, with the project site being alongside the canal Britzer Verbindungskanal. The development will have a Gross Floor Area (GFA) above and below ground of 447,300 sqm and a net lettable area (NLA) of 294,296 sqm.

The project is within the urban development concept "Leben in der Baumschule" and the project's NFA encompasses 147,200 sqm of residential area, 60,720 sqm of subsidised housing area, 51,600 sqm of office area, 25,920 sqm of retail area and a mobility hub of 5,856 sqm. The development also includes c.4000 parking spaces. Plan to conclude the revision of the urban development framework by end of 2023, and application of development plan by end of 2025.

Both the Walter & Green Living are considered part of the Build & Hold division. The projects are in planning stage and the company has been focusing on optimising the development profile since their acquisition in June 2021.

Build & Sell

In FY22, Aggregate's build and sell division reflected its ownership of VIC Properties ("VIC"), which was subsequently sold. VIC is Portugal's leading real estate developer with a focus on large scale development schemes and mainly residential projects. As of 31 December 2022, €0.8 billion of the Group's total assets were attributable to the Build & Sell business segment, reflecting the impairment of goodwill which occurred as a result of the sale transaction in 2023. In FY22, VIC owned three key projects. Prata and Matinha are both strategically well-located in Marvila, one of the most up-and-coming neighbourhoods of Lisbon. The Pinheirinho project, located in Melides close to Comporta, in the municipality of Grandola is a large-scale high quality leisure focused development in an area which has received strong interest from international leisure visitors.

€0.8bn

Build & Sell Segment Total Assets

VIC's business model is to source large-scale construction projects and subsequently to develop, design, construct and market such developments to individual and institutional investors. VIC operates a fully integrated real estate platform in line with the group's strategy to cover the entire value chain. Its core business is the development of residential multi-storey buildings and large development schemes in Portugal's largest cities, such as Lisbon and its surrounding areas and Porto, and development schemes in the high value second home are as such as Comporta and the Algarve region. VIC specialises in the development of entire neighbourhoods with a view of developing high quality real estate offerings, with an emphasis on midsized units with two or three bedrooms. VIC is offering new living concepts, including the newest technological features, modern kitchens in open-space living room design, panoramic balconies or terraces and generous communal areas. Targeted buyers include the domestic Portuguese demand as well as international investors.

Domiciled in Luxembourg, but with operational headquarters and locally embedded management team in Lisbon, VIC benefits from strong local market access and connections in the strong Portuguese real estate market.

During FY2022, VIC continued the construction of Prata, with the completion of Plot 1, continued development of Plots 2 and 2A, and beginning of the works on Plots 6 and 5. Between April and December 2022, 104 of the 107 residential units at Plot 1 were sold, and the absolute sales recorded increased 95% when compared to 2021, a clear demonstration of the project's market recognition, achieved over the course of Aggregate's ownership and development of the project. In addition, the use permit for the clubhouse and golf course at Pinheirinho was achieved in FY22.

In May 2022, amendments were made to the €250,000 thousand 3.00 per cent. Secured Pre-IPO Convertible Bonds due 2025 via written resolution, which included an extension of the first optional put date, from May 2022 to September 2022. Pursuant to a further written resolution in September 2022, the first optional put date was extended to April 2023. In this second resolution Aggregate also committed to running an M&A process to sell VIC, including certain milestones to be either achieved or waived by the requisite majority of VIC bondholders.

The M&A process was successfully concluded in May 2023.

Absolute sales increased by

95%

compared to 2021

Financial real estate and other assets ("FREA")

Aggregate's FREA division invests primarily in private and public real estate related-assets, which may be either long-term and strategic, or short-term and opportunistic in nature, and either private or public. The key components of the FREA divisions assets at FY 2022 were (i) real estate asset investments, (ii) minority equity stakes in other real estate companies, and (iii) strategic loans, primarily to fund real estate developments.

Real estate assets investment and real estate assets held for sale

In June 2021, the Group acquired a portfolio of 10 development projects, the Castle portfolio, consisting of projects located in Berlin (5), Dusseldorf (4), and Frankfurt am Main (1), of which 8 are included in the FREA segment (Walter and Green Living projects are projects that Aggregate intends to develop and are in the Build & Hold segment). As at year-end 2022, these 8 assets had a residual value of €263 million, and a GDV of €1.9 billion.

The Group's plan for these assets was primarily to resell at a premium following an opportunistic acquisition, with the timing dependent on market conditions. There were a number of discussions and processes regarding sales during 2022.

In September 2021, Aggregate acquired Ringbahnhofe, a mixed-use development located in the Berlin Neukölln district. The property is in the advanced stage of the urban land use planning process for a mixed-use development, with a total of 96,127 sqm of Net Lettable Area. At year-end 2022, Ringbahnhofe had a residual value of €208 million.

Given the current market conditions, the focus for these assets is now on extending the existing debt and funding for the projects through to the next development milestone, in order to achieve a stronger sale price in a future stronger market.

Real estate assets held for sale include the developments Alsterkrugchaussee 366 (AKC) and Amsinckstrasse 45, (Amsinck), both located in Hamburg.

The stake in ADLER Group

At year-end 2022, the Group held a 6% stake in Adler Group. Adler Group is one of Germany's largest real estate companies, with total assets of €9.7 billion at year-end 2022. At year-end 2022, Aggregate's Adler shareholding was valued at €8.8 million after a loss in fair value of €61.6 million. Aggregate remains convinced in the strong underlying fundamentals of Adler Group and believes that there is significant upside potential from its shareholding to be realised over the long-term, despite Adler being subject to significant uncertainty, including regarding the appointment of an auditor, notwithstanding the successful debt restructuring and refinancing that it has implemented in H1 2023. Note that this shareholding has subsequently reduced to c.4% in H1 2023 as a consequence of Adler issuing new shares in connection with the restructuring of its bonds.

Loan portfolio

The company has invested in loans to a range of counterparties, primarily focused on financing the development of other real estate projects and investments. At year-end 2022, the total third-party loan portfolio totalled €305 million (2021: €375 million). This strategy enables key insights into real estate investment market. However, in the current environment, Aggregate is working to significantly reduce this portfolio.

Management and Board

Management Team

Cevdet Caner, Chief Executive Officer, with track record of more than 300 transactions in Germany, UK, USA and Japan, across acquisitions, equity, and debt. Cevdet Caner is a leading investor in the real estate market in Germany. Cevdet helped substantially grow and develop a number of private and public Real Estate companies in Germany, through assisting in deal sourcing, financial structuring, capital markets activities, investment exit negotiation and finalization.

John Nacos, Chief Investment Officer, has over 30 years of experience in the finance industry in New York and London, having been Global Head of Commercial Real Estate debt at Deutsche Bank AG. Mr. Nacos served as Supervisory Board member at CA IMMO, a Vienna-listed property company from 2015 to 2019 and was instrumental in steering the company's success. At Aggregate, John Nacos is responsible for acquisitions and investments.

Boris Lemke, Investment Director was previously Director at Deutsche Bank, heading up the London based team focussing on private debt syndicate. He has over 20 years experience in the finance industry with 16 years at Deutsche Bank's Investment banking division and 3 years at Morgan Stanley's Investment banking division. Boris Lemke is responsible for deal structuring, investment trading and syndication interests.

Board of Directors

Cevdet Caner, Prior to becoming CEO of Aggregate, Cevdet was an advisor to the company, with a focus on deal sourcing, structuring, and investment negotiations. He is now a Director at Aggregate Holdings SA and a member of the company board.

Günther Walcher, Günther has over 40 years of experience as a founder of, and investor in, major businesses both inside and outside the real estate sector. In 2015, Günther set up Aggregate Holdings SA below Lavinia BV, which he founded in 1998, as his European Real Estate structure primarily for German investments.

Massimo Longoni, Managing Director of the Board, has over 25 years of experience in the financial and private equity industry across Europe. After graduation in economics, he has undertaken project finance at Finmeccanica, and then became head of corporate finance at Intesa Sanpaolo. Founder of Electa Group in 2003, he is currently a member of the board of a number of large pan European investment funds.

Elena Guaraldi, Board Director, has over 10 years experience in the financial industry. After graduation in accounting and tax, Elena worked 3 years in accounting and audit. Since 2014, Elena has been working as corporate and client relationship manager at Groupe Electa S.A., in charge of corporate procedures, coordination of the legal, technical and administrative aspects with particular focus on regulated entities and real estate group. Elena is also board member in a number of private equity and real estate holding companies.

Valérie Ravizza, Board Director, has over 29 years of experience in domiciliation and management of companies in Luxembourg. Valérie has been working as corporate manager at Global Trust Advisors S.A., in charge of corporate procedures, coordination of the legal, technical and administrative aspects. Valérie is also board member in a number of private equity and she is responsible for a client portfolio based mainly in Europe (Italy, Spain Germany.)

Business Report

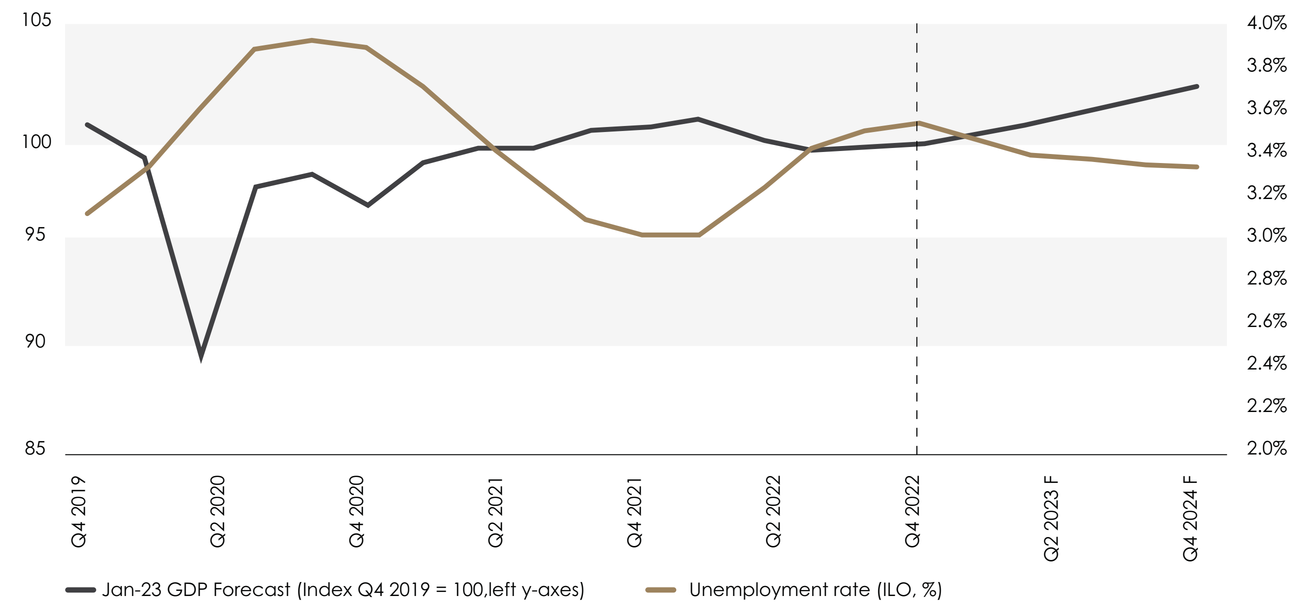
Aggregate believes that growth particularly in Germany will pick up momentum when foreign demand comes back and uncertainty diminishes. Against the backdrop of declining energy and commodities costs, the price pressure is likely to ease, and higher wages should support household income accruing to robust labour market. However, the current interest rate rises and ongoing inflationary environment is continuing to delay this process.

German Economy Outlook

The economy is projected to contract by 0.7% in 2023 while significant growth of 1.8% and 2.0% in 2024 and 2025, respectively is expected. A slight economic downturn is expected in Germany's economy in 2023. While energy costs were materially high in 2022, it is expected to come down in 2023. With that inflation is likely to have peaked in 2022 however high inflation levels could remain sticky in medium term.

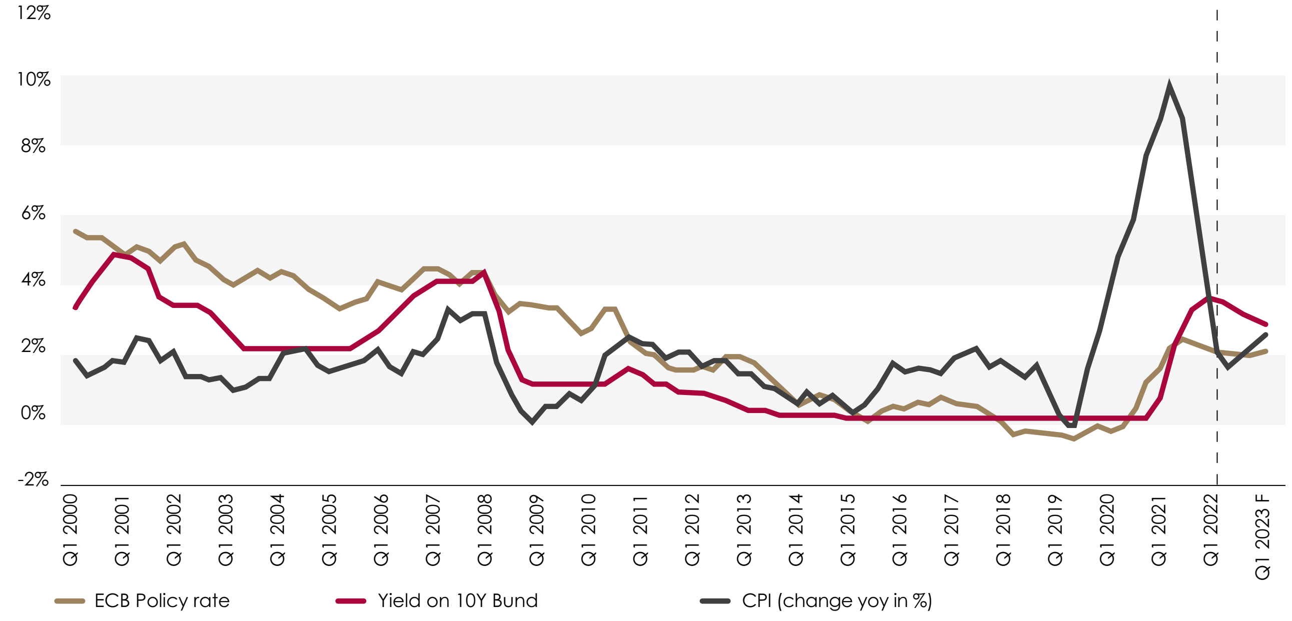
The labour market remains robust, with the result that high wage increases will boost household income and private consumption. Moreover, a very resilient industrial sector safeguards the slump experienced during the Covid crisis, particularly as the German economy should stage a gradual recovery again against the backdrop of anticipated uptick in foreign demand, dwindling uncertainty etc.

Development in Germany's real gross domestic product and unemployment rate



Source: Oxford Economics, CBRE Research

Inflation and interest rates



Source: Bundesbank, CBRE Research

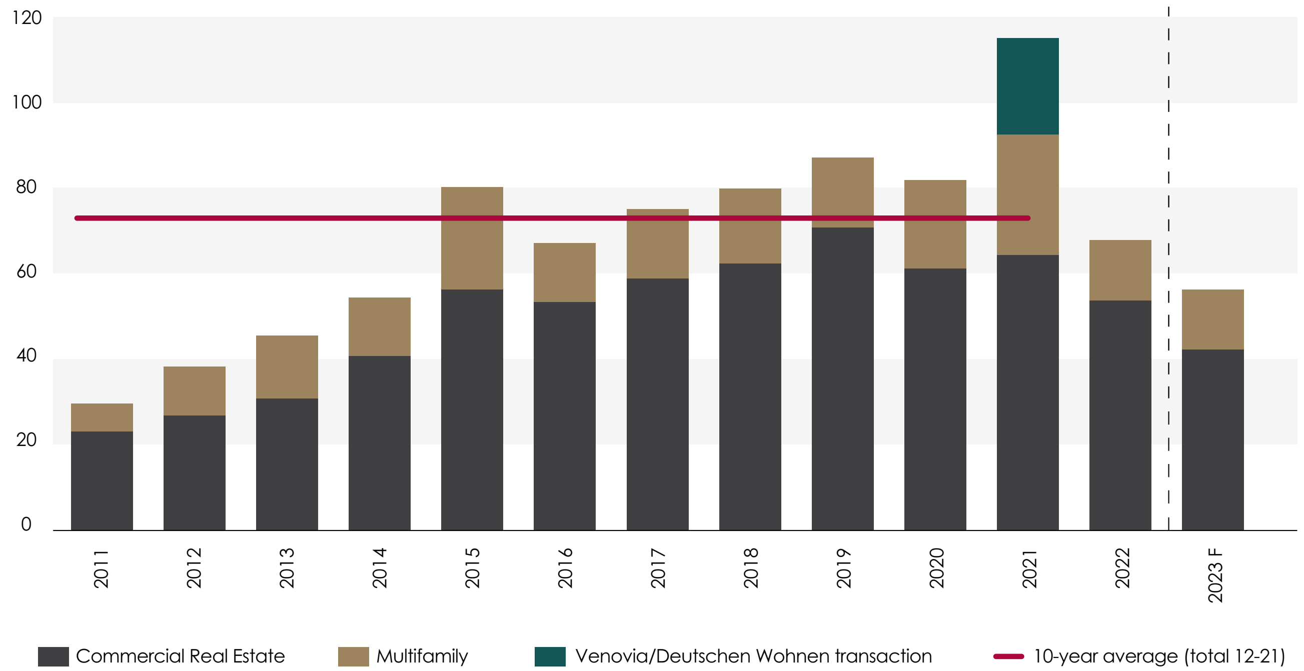
German Real Estate

Aggregate expects the German real estate market to recover from early 2024 as the ongoing reset of prices is concluded and uncertainty is diminished. The German market is still and likely to remain as one of the most popular real estate investment markets in the world and will strongly rebound under global risk averse situations.

The 2022 German real estate market was earmarked with economic and political uncertainty, in conjunction with interest rates hikes, rising energy prices and high inflation rates.

Nevertheless, the market recorded transaction volume of €65 billion in 2022, c.7% less than 10 years average. Portfolio transactions have become increasingly difficult due to the longer than normal internal decision-making processes, divergent price expectations, limited big-ticket financing availability in conjunction with more stringent requirements from lenders etc. The focus therefore has been shifted to single asset transactions.

Investment transaction volumes in Germany*



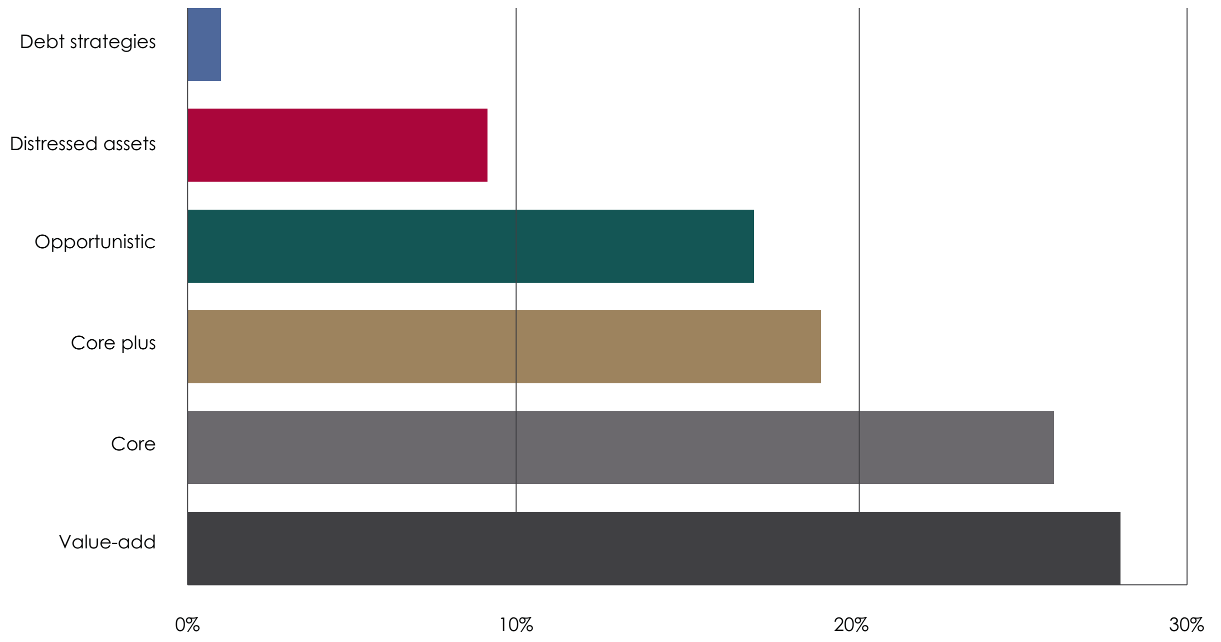
*excluding proportion of company share takeovers; **investment in multi-family property (upward 50 units)

Source: Oxford Economics, CBRE Research

Furthermore, investors will be setting their sights initially on residential investments while value-add investments will experience highest allocations. In recent period, opportunistic investment strategy has garnered greater interest and as such topics of distressed assets and non-performing loans have increasingly come into play. However, German investors will primarily focus on core and value-add investment strategies.

The process of the price expectations of buyers and sellers striking a new balance might continue as a drag on the momentum of transactions. The price reset is expected to recede from early 2024, especially as the global liquidity of dry powder is available and eagerly waiting to be deployed, especially in resilient markets with strong fundamentals like German real estate. While the sentiment of the fund managers globally has taken a set-back, ESG criteria are playing an invaluable investment role. A recent survey from CBRE revealed that 40% of German investors are willing to pay a premium on modern, low-emission, highly energy efficient properties. Aggregate expects such premium on new build properties to rise as the modernisation cost increases and also becomes increasingly difficult to implement.

Preferred investment strategies in 2023*



*only German investors
Source: CBRE European Investor Intentions Survey, January 2023

German Office Market

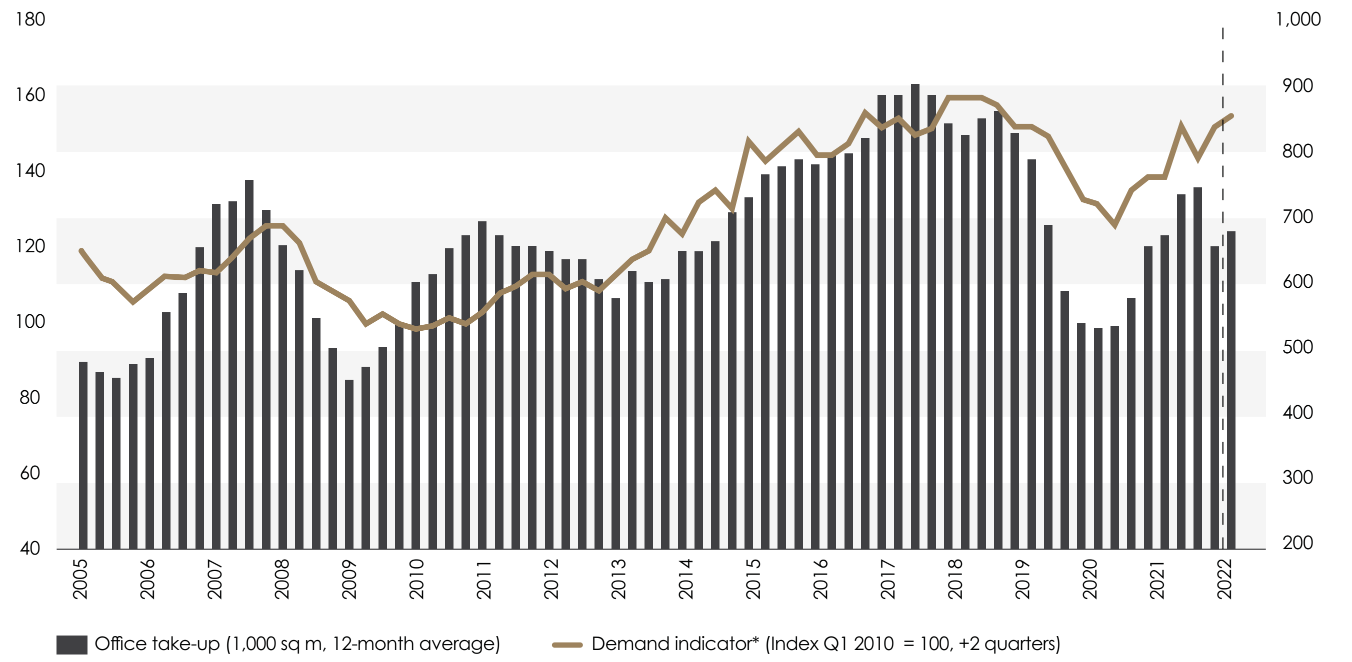
The office market, in Germany and globally, is undergoing a structural change in demand and supply. Along with the usual criterion such as "location", new governing parameters like technical and functional fit-out considerations are playing a dominant role in investment decision making. More than 80% of the German office stock is older than 15 years, indicating the huge market risk of rising dysfunctional existing stock. Meanwhile, in light of increasing financing costs and exit yields, the supply of new-build, Grade A office properties is expected to decrease.

more than 80% of stock is
older than 15 yrs

Thus, rents of modern space will steeply increase in the foreseeable future while the vacancy rate will increase for older office stock.

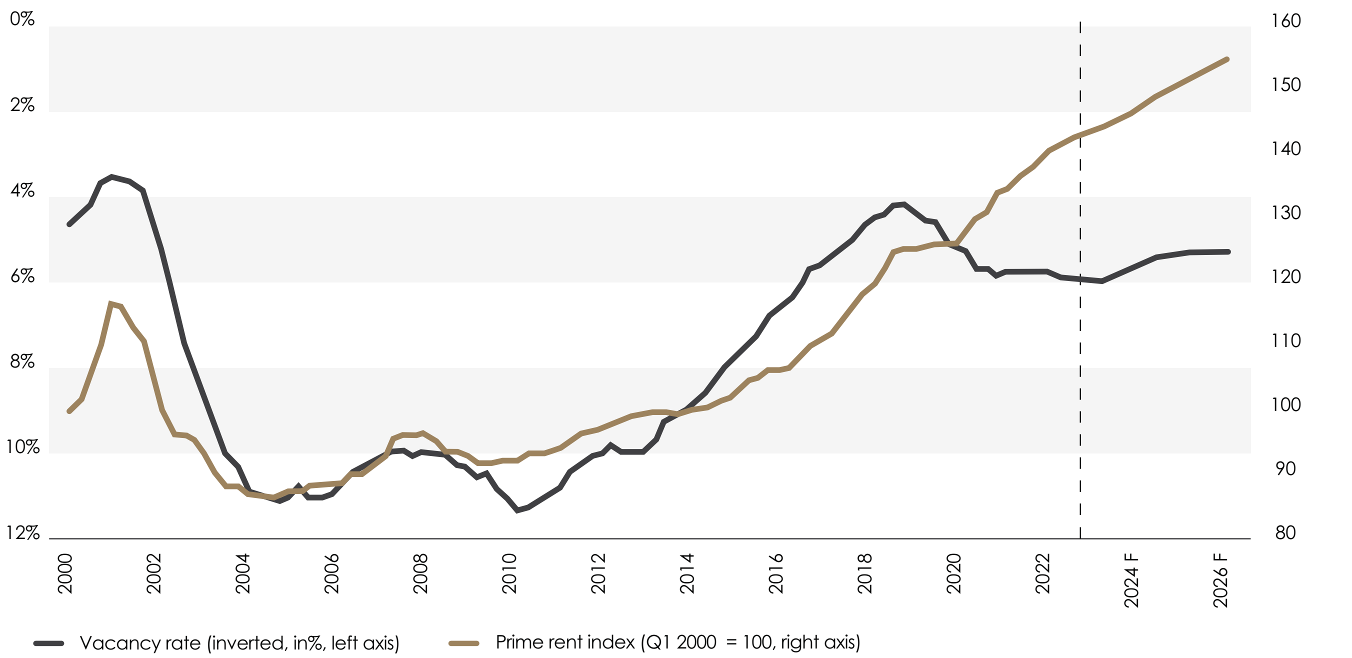
The structural supply shortage of premium properties and projects with ESG certifications has ensured significant growth in achievable prime rents and a proven green premium, while the proportion of dysfunctional existing stock and stranded assets is set to rise. Moreover, new possibilities are opening up for opportunistic and active investor groups to generate sustainable earnings growth through creating adequate office supply with value-add approaches such as refurbishment, manager-to and build-to ESG strategies.

Office take-up (incl. owner-occupiers) – Top 5 markets



*Demand indicator based on the ifo Employment Barometer and CBRE active enquires from the market
Source: Oxford Economics, CBRE Research

Top 5 rental price index and average vacancy rate (inverted)



Source: CBRE Research

Overview of Business Performance

2022 was a very significant year for Aggregate, as the Company had to react to extremely challenging conditions in the real estate market, triggered by the war in Ukraine and the subsequent rise in inflation, interest rates and yields.

Profit & Loss

For the financial year 2022, total revenue generated by Aggregate amounted to €172 million as compared to €76 million in the prior year, and it was comprised primarily of sales of apartments at Prata and rental income from Quartier Heidestrasse and Fürst. The change in project related inventory was € negative 56 million, as compared to €31 million, reflecting the write-down of the Matinha asset, with sales and inventory built broadly matching.

In 2022, Aggregate focused on the development of its projects in Germany and Portugal, with the key area of activity being construction of its properties (both for Build & Hold and for Build & Sell).

Overall performance increased to €116 million (2021: €107 million), mainly due to the increased total revenue, which more than offset the negative change in project related inventory.

Net loss from fair value adjustments of investment properties and investment properties under development was €1,051 million (2021: €842 million income) due to the significant write-downs in particular of pre-construction development projects which were impacted by increased yields and cost inflation.

As a consequence of the disposal of VIC Properties on 5 May 2023, management considers that the majority of the carrying amount of the goodwill cannot generate to the business any financial resources in the future. Therefore, it has been concluded to impair the goodwill on the amount of €1,053 million as of 31 December 2022, as an adjusted subsequent event.

Net loss from the fair value adjustments and disposals of financial assets of €109 million (2021: €270 million) relates to realised loss incurred by Aggregate on the mark-to-market of financial assets held of the balance sheet and the losses on disposal of financial real estate financial assets during the year 2022.

Finance costs amounted to €561 million (2021: €308 million), with the increase driven by i) a substantial increase in VIC Convertible Bond interest as part of the extension consent, ii) a full year of interest for the Fürst and Castle acquisitions, and iii) incremental mezzanine loans drawn in 2022.

For the financial year ended 2022, Aggregate reported a loss of €2,830 million which is attributable to the owners of the Group as compared to a loss of €575 million in 2021.

Cashflow

The cashflow statement reflects Aggregate's status as developing and constructing assets prior to receiving income, in the Build & Hold division in 2022. Operating cashflows were negative €163 million (2021: negative €14 million) mainly due to the following:

- Operating cash flow before movements in working capital of negative €25 million
- Decrease of €20 million from the reduction in trade and other payables and a decrease of €31 million from the increase in trade and other receivables
- €16 million increase from pre-payments on development projects, and
- Interest paid in cash accounted for an amount of €137 million during the year 2022, offset by €8 million of interest received.

Net cash used in investing activities was €324 million (2021: €1,160 million) mainly due to:

- Proceeds from disposals of €182 million, offset by net asset of subsidiaries disposed of €185 million
- Capital expenditure of €299 million (2021: €283 million)
- Net movements in financial assets of positive €41 million, offset by negative €81 million of movements from loans receivable.
- Net cash generated from financial activities was €369 million, reflecting successful refinancing and incremental financing, in particular in H1 2022.
- The net result was for cash to reduce from €392 million to €273 million, with the majority of this due to net cash used in investing activities.

Balance Sheet

The total balance sheet of Aggregate reduced from €7.9 billion in 2021 to €4.7 billion at year end 2022, reflecting the sale of a significant portion of Quartier Heidestrasse, the impact of the reduction in goodwill following the extension of VIC debt and the H1 2023 sale of VIC Properties, and the reduction in the fair value of investment properties and investment properties under construction following the increase in yields and the cost increases driven by inflation. In addition, there was a reduction in equity accounted investments from €329 million to zero, due to the disposal of the majority of the Adler stake and the reduction in the Adler share price. (Remaining €8 million related to the shares in Adler, has been reclassified and recorded in financial assets).

The total assets split per business units are as follows:

- Build and hold: €2,786 million.
- Build and sell: €773 million
- Financial real estate and other assets: €1,163 million

Investment properties and investment properties under construction have a fair value of €2,962 million (2021: €3,559 million) as of the balance sheet date. The change in value is a combination of decreases due to a partial sales of the QH project, decreases due to the reduction of fair value reflecting the changed real estate environment, and increases due to assets being transferred from the assets held for sale classification to the investment properties and investment properties under construction. This change in classification is due to the company determining that these assets should not be sold in the current environment, and engaging with discussions with investors to extend the financing facilities.

Inventories reduced to €656 million (2021: €712 million), with the change reflecting a write-down on the Matinha asset with sales of apartments offsetting the construction of apartments on Prata. All the inventories on the balance sheet relate to the activities of VIC Properties in the Build & Sell division.

Non-current and current financial assets decreased to €546 million (2021: €585 million).

As of 31 December 2022, the Group held 5.6% in ADLER Group which is listed on the stock exchange market. The Group's interest in ADLER Group is accounted for under financial assets.

Cash and cash equivalents reduced to €273 million at year end 2022 (2021: €392 million).

Total equity amounted to negative €522 million (2021: €2,301 million) and is mainly composed of share capital, share premium and the loss for the year , plus hybrid notes and non-controlling interest. The Company did not acquire its own shares in 2022 and 2021. Mandatory convertible bonds increased to €439 million reflecting a small mandatory convertible bonds issuance. The non-controlling interests of €235 million (2021: €342 million) relate primarily to the Build & Hold division, with the small decrease primarily reflecting the decline in valuations.

Non-current and current loans and borrowings amount to €4,617 million (2021: €4,229 million), with the increase reflecting the increased financing undertaken through 2022, capital expenditure on the projects under development, combined with the increase due to the VIC Convertible bond extension, and reclassification of certain debts previously classified as liabilities held for sale, netted off against reductions from the successful sale of Quartier Heidestrasse assets.

Trade and other payables reduced to €194 million (2021: €297 million) reflecting in part the sale of the certain Quartier Heidestrasse assets.

Loan-to-Value ("LTV") was an important covenant for the Aggregate Group under the company's notes issued and due in 2024 and 2025. The noteholders voted to waive the LTV covenants on 24 May 2023. The LTV at 31 December 2022 was 99.8% (FY 2021: 59.8%) including non-current and current debts held by the Group and debts under liabilities held for sale as at 31 December 2022. Total assets minus cash decreased significantly while net debt rose, with net debt increasing by €387 million compared to total assets (net of cash) decreasing by €4,448 million. The significant decline in assets primarily reflected the impact of the sale of VIC, the decrease in valuation of Aggregate's investment properties and the decrease in the value of Aggregate's stake in Adler in a very challenging real estate environment.

Events post Balance Sheet

Disposals

Aggregate completed the disposal of VIC Properties in May, which included the release of Aggregate Holdings SA from guarantees relating to VIC of c. €475 million. In June, Aggregate completed the sale of the Quartier Heidestrasse segment Crown I.

Financings

The Group has been working on a number of refinancings, including that of QH-Track and Fürst, to ensure that the assets are fully-funded through to completion. There have also been discussions regarding the refinancing of other facilities, including those at the Castle portfolio, which have become due.

The Group is in discussions with the majority of its creditors to agree extensions and refinancings to the relevant debt facilities, and to achieve any required amendments or waivers. These discussions have not concluded as at the date of this report, and there can be no certainty that all or any of these discussions will be successful.

Outlook

During 2023, the Group intends to focus on agreeing extensions and refinancings to the relevant debt facilities, and to achieve any required amendments, waivers, extensions or refinancings. The aim is to ensure that QH-Track and Fürst are fully-funded through to completion.

Although Aggregate is involved in discussions with the majority of its creditors, there can be no assurance that negotiations will be successfully concluded.

Liquidity at Aggregate group is negatively impacted and is expected to be further constrained in the current environment by pricing dislocation for disposals and the challenging refinancing market.

The Group will focus on further debt reductions across its portfolio to enable the group to be positioned for a future recovery in real estate values and for a rise in the value of its projects as they are completed and let.

Opportunities and Risk

The Group faces a variety of risks and opportunities in the course of its business activities requiring assessments, strategies for risk minimisation and mitigation and actions with short, medium and long-term impact.

Solid and accountable governance safeguards the future of the Group. It enables the Group to maintain its agility, entrepreneurial spirit and provides development opportunities for our people.

The Board is responsible for the direction and oversight of Aggregate Holdings S.A. and its subsidiaries. The Board believes in good governance and managing company risk and reporting effectively. The Board defines the Group's risk policy and the procedures to mitigate exposure to risk, monitors the risks and reviews the effectiveness of the current risk management and internal control procedures.

Risks

The risks of the Group are regularly monitored and evaluated by the Board of Directors.

Strategic Risks

The Group bears risks in connection with possible acquisitions and investments. These risks include unexpected liabilities, greater indebtedness, higher interest expenses and challenges with respect to the integration of newly acquired businesses and achieving anticipated synergies and economies of scale. Furthermore, new properties may not develop as favourably as expected. The business success of the Group depends on a small number of projects and inventories and problems with these projects could have a disproportionate impact on the business success of the Group. There are a small number of large-scale projects which account for a substantial portion of sales.

If in addition to the concentration of letting or sales risks associated with this, there is also the risk that possible delays or problems in completing these projects, changes in demand in specific geographic markets or a change of business preferences could have a disproportionate impact on the business success of the Group.

The Group's yielding assets are concentrated in a very limited number of yielding projects. The yielding projects are subject to tenant risk, to the ability to replace tenants when required, by the ability to increase rents and to continue to effectively manage the asset. The investments are subject to the performance of the underlying business, which will be in part dependent on the German macroeconomic environment, the German property market and the impact on the performance in the underlying business.

The extent of the Group's growth is also dependent on the Group's ability to acquire suitable real estate properties or participations in economically attractive regions for appropriate prices. Acquisitions can only be implemented if attractive properties that meet its investment criteria are available for purchase and if the prices for such properties are reasonable, and importantly if the financing or cash on the balance sheet is available to fund such purchases. In addition, whether such properties can be acquired depends on a number of factors over which the Group has limited or no control. These include, among others, the general economic conditions with corresponding impacts on the supply and demand situation with respect to new and existing properties, financing opportunities as well as the costs associated with the development, conversion and refurbishment of properties. There may be strong competition for attractive properties, and acquisition opportunities may be only on unfavourable terms. Competitors with acquisition strategies similar to the Group may possess greater financial resources and lower cost of capital than the Group and may therefore be able to offer higher prices.

Fair Value of Real Estate Property Risks

Estimating the future value of a real estate property is inherently subjective due to the individual nature of each real estate property and is heavily affected by broader market conditions beyond the control of the Group. Factors including changes in regulatory requirements and applicable laws (including building, zoning and environmental regulations and taxation), transport and infrastructure policies, economic conditions, the condition of the financial markets, the financial condition of potential customers, applicable tax laws and long-term interest rates and yields and inflation rate fluctuations contribute to the uncertainty and volatility of project estimates, including valuations. In the current environment, valuations in Germany are significantly exposed to rising interest rate and yield expectations.

The value of the Group's real estate development projects is estimated only and is ascertained on the basis of assumptions (including assumptions regarding factors such as demand for residential or commercial real estate properties and average sales prices of residential real estate properties). These assumptions can turn out to be incorrect. Real estate markets, including the German market in 2022, are subject to fluctuations and volatility. Market trends, such as changes in supply and demand dynamics, investor sentiment, or economic conditions, can influence property values and liquidity.

There can be no assurance that the value of the Group's real estate properties reflects the future sales prices.

In addition, the Group's ability to increase its income from properties being developed to hold and other properties, is dependent on its ability to increase occupancy and rent levels of the developed residential real estate properties. Consequently, the loss of current tenants could lead to a reduction or loss in rental income if the relevant member of the Group is not able to find new tenants in a timely manner.

Furthermore, if relationships with key tenants were to deteriorate, if tenants fail to fulfil their rental payment obligations, if tenants were to reduce the amount of space they lease from the Group or terminate their rental agreements, the Group may suffer a decline in rental income, especially if the Group is unable to maintain previous rental rates with the new tenants.

Any deviation from the estimated value to the realised value, including as a result of inaccurate valuations, could have a material adverse effect on the business, financial condition and results of operations of the Group.

Construction Cost Risks or Delays of Construction Periods

The Group is exposed to certain risks in connection with construction projects, including construction defects and delays, availability of contractors, cost-overruns as well as health, safety and environmental risks. As the company engages in large-scale construction projects, these potential challenges of managing complex construction processes and ensuring the timely completion of projects are increased.

With respect to the construction of development projects, the Company or any member of the Group is exposed to various risks relating to defective construction work or the use or installation of defective construction materials by third-party suppliers or contractors. The warranty, guarantee or indemnity protection set forth in the contracts with such third-party suppliers and contractors, and the arrangements with insurance providers to insure against certain risks, may prove to be insufficient or may not adequately protect Aggregate or any member of the Group against relevant risks. Furthermore, the Group may not be able to enforce claims in the respective amount, or at all, due to the third-party contractor's or supplier's insolvency or for other reasons. Significant liabilities may not be identified or may only come to light after the expiry of warranty, guarantee or indemnity claims.

Any claims relating to defects arising from or related to one of the development projects of the Group may give rise to contractual or other liabilities, which can extend, depending on the relevant contractual or statutory provisions, for five years following completion of the development project, and may not be covered by claims against any contractors or suppliers of the Group.

Moreover, the Group's ability to successfully complete development projects on time, at the anticipated quality or at all, depends on several factors. Construction work may involve higher costs than originally planned, and unforeseen additional expenses may be incurred leading to a deteriorating financial situation of the Group. In the current inflationary environment, the risk of cost overruns is particularly material. In addition, the Group may fail to meet standards and/or deadlines agreed with contractors and service providers and there can be no assurance that the Group will be able to hire qualified and reliable contractors.

Contractors and service providers carrying out construction work may be adversely affected by economic downturns, insolvencies or any other risks inherent to the provision of construction services. These risks include damages caused by severe weather conditions (e.g., fires, floods or natural disasters) and construction-related delays due to personnel shortages, strikes, building site safety, governmental permits or restrictions on construction activity, shortage of or inability to source building materials and transportation issues, any of which may be influenced by the respective parties' reliance on third parties.

Among others, any of the aforementioned risks may result in significant cost overruns and project delays. Furthermore, the Group is exposed to cost increases in connection with services of contractors, service providers and sub-contractors, in particular in the current inflationary environment. Any cost increases could adversely affect the ability of the Group to earn the projected yields related to the development projects.

There are uncertainties regarding whether, when and under what constraints and/or subsidiary conditions approval for the projects is granted under public construction law, i.e. the Group partly relies on the individual authorities exercising discretion.

In addition, disputes with residents and neighbours may significantly delay or negatively influence the granting of approvals. These circumstances may mean that planned development and construction measures cannot be executed for the price assumed, within the timeline planned, or not at all. Developing real estate entails certain health, safety, and environmental ("HSE") related risks. A significant HSE incident at one of the development projects of the Group or a general deterioration in the Group's HSE standards could put employees, contractors or the general public at risk of injury or death and could lead to litigation, significant penalties or damage to the Group's reputation.

Illiquid Assets Risks

Land plots and real estate properties are in general relatively illiquid assets because they may not be easily sold and converted into cash when markets deteriorate. The Group may be required to sell entire land plots or properties in certain circumstances, including due to changes in development plans, failure to obtain required building permits, the decision not to proceed with the development, changes in economic or property market conditions, negative political developments affecting the residential real estate or commercial letting market, including any expropriation or nationalization of real estate property, rental caps or financial distress. The illiquidity of real estate properties may affect the ability of the Group to dispose of or liquidate parts of its development portfolio in a timely fashion and/or at satisfactory prices when required or desirable, and the Group may incur additional costs until it is able to sell such land plots or properties. This could have a material adverse effect on the business, financial condition and results of operations of the Group.

Risk Related to the Real Estate Market

The Group's core business is in real estate investments. The Group focuses on acquiring, developing, managing and selling residential and commercial real estate predominantly in Germany, in particular in Berlin. The Group's business success is therefore especially dependent on the performance of the real estate markets it operates in, the demand for properties, including rented properties, in Germany and in particular in Berlin, and the level of achievable rents, the expenses necessary to generate the rental income, as well as the achievable purchase and sale prices and market values of properties. The real estate market, in turn, is dependent in particular on the performance of the overall economy with particular emphasis on interest rates, political developments, including changes in legislation, and the demand for real estate.

Key factors affecting macroeconomic developments in Germany include the state of the German economies, as well as the European and global economy, the development of commodity prices and inflation rates, the extent of national indebtedness, and interest rates. A worldwide economic downturn, a further rise in the inflation rate or a further upturn in interest rates could adversely affect macroeconomic performance. Moreover, in the last recession in the Eurozone, particularly the need for some governments to cut back on spending to retain credibility in the financial markets, impacted economic developments in Germany and an increasing level of national indebtedness could have consequences, including reduced economic output, a higher inflation rate, rising taxes, and lower income, thus reducing the willingness of private individuals and institutional investors to invest.

The fluctuations in exchange rates, especially the euro-to-dollar rate, could have a material effect on German exports and therefore also on the performance of the German economy.

Real Estate Development Risk

From the Group's engagement in real estate development projects in Germany, it faces specific risks related to market dynamics and project feasibility. Market demand volatility poses a significant risk, as changes in economic conditions or shifts in consumer preferences can impact the success of development projects. To mitigate this risk, Aggregate Holdings S.A. conducts comprehensive market research and feasibility studies to identify opportunities that align with market trends and mitigate potential oversupply risks.

Additionally, regulatory and policy changes influenced by the evolving socio-political landscape and the government's agenda can affect the development process, with zoning restrictions, property laws, environmental regulations, or land-use policies introducing uncertainties and potential delays.

The focus on sustainability and environmental responsibility continued to grow in 2022 presenting risks to the Group. Regulatory frameworks and societal expectations regarding energy efficiency, green building certifications, and carbon footprint reduction impact real estate investment decisions.

Financing Risks

The development of the property sector is largely determined by the availability of financing. The Group's ability to obtain debt financing, guarantees or derivatives or hedging lines from financial institutions or private lenders at commercially acceptable terms, including volume and costs, depends on several factors, some of which are beyond the Group's control, such as general economic conditions, the availability of credit from financial institutions, reputational factors, market interest rates and global and EU monetary policy and financial markets regulation. As a result of increased levels of defaults, banks may have reduced or may in the future reduce liquidity, which could make it harder for the Group to obtain bank financing it may desire for future acquisitions or re-financing purposes.

The Group requires debt primarily to refinance existing loans and to fund project development and acquisitions. The market conditions for real estate financing are subject to continuous changes, and are currently challenging and may deteriorate further. Financing and refinancing on the banking and capital markets is one of the most important measures for real estate companies. The financing options available depend on several factors that cannot all be influenced by the Group, such as market interest rates, reputational considerations, the amount of financing required, tax aspects and collateral required. This may significantly impair the Group's ability to increase the level of completion in its development portfolio, to invest in appropriate acquisition projects or to meet its obligations from financing agreements. Financing risks are closely linked with the risks relating to interest and liquidity. Financing risks are managed by using diversified funding sources for projects. However, in a market downturn and or if there is significant adverse publicity, this diversification of funding sources may be difficult to achieve. The Group is committed to reducing the volume of its mezzanine loans, and its debt more generally. In the event that the Group is not able due to market conditions or other reasons to repay or refinance its debts when due, there is a risk of enforcement by the lender which is likely to result in a substantial loss of value for the group, and in the worst case a cross-default across the entire group.

Default risks exist for all types of financial instruments including but not limited to trade receivables. The majority of trade receivables concerns low risk. Deposits in banks or financial institutions were made exclusively with well-known financial institutions. The Group monitors and assesses liquidity on a regular basis. Developments in liquidity are analysed and evaluated regularly both at Group level as well at subsidiary and project level. Liquidity plans are scrutinised along various stress scenarios, which enables us to identify arising liquidity risks. In the current environment, where both disposals and refinancings are very challenging to the general economic and real estate market environment and due to the situation specific to Aggregate, liquidity at Aggregate Group has been negatively impacted and has been significantly constrained in the current environment, with the risk of a lack of liquidity being a material risk to the group as a whole.

The Board and management regard the financing and liquidity risks and their effects on the asset, financial and earnings position as very relevant. Interest rate risks are relevant because of the Group's financial liabilities. In order to minimise interest rate risk, the Group follows a policy of mixing loans with fixed interest rates and variable rate loans.

The Group also seeks to over time further increase the share of long-term financing through fixed interest rates. However, increases in the refinancing interest rates of the central banks may make property financing more expensive and could thus lead to a reduction in the demand for real estate. All real estate transactions generally also carry a risk in relation to their timely refinancing. Forward sales reduce this risk considerably.

The Group has financings as part of financing mix that need to be refinanced in the short term. In the case of loans with variable interest rates, an upward change in the interest rate level leads to a detrimental effect on the consolidated earnings. At balance sheet date, €594.3 million related to loans with variable interest rates and €4,003 million to fixed rate instruments. Interest payable on variable interest rate loans is on average significantly lower due to its prevailing senior loan characteristic. The Board and management regard the risk of interest rate changes and their effects on the asset, financial and earnings position given the current and medium-term expected interest rate level as not as material as other risks. Some debt financing agreements contain financial and non-financial covenants. Non-compliance with these covenants may entail the risk of extraordinary termination by the creditor and may thus mean that the refinancing of the corresponding amounts might come at less favourable conditions. The covenant requirements are monitored in order to prevent breach of covenant (default). As of 31 December 2022 and as at the date of this report, there were a number of defaults, which the company and Board are actively managing. The Board and management regard this risk and its effects on the asset, financial and earnings position due to the potential loss exposure as very relevant.

Moreover, a persistently restrictive lending policy could negatively affect the demand for real estate in general, and thus result in lower or no proceeds in the near term from sales of investment properties.

As of 31 December 2022, the Group has net debt of approximately €4,617 million (2021: €4,476 million), an unaudited LTV of 99.8% (2021: LTV of 59.8%) and gross current financial debt of approximately €2,477 million (2021: €949 million).

In relation to the existing loans for financing the properties and shares in real estate companies held by the Group, the refinancing of the ongoing business activities, and the new borrowing required to acquire additional properties and stakes in real estate companies, there is a high risk that company specific and market-specific developments will make it harder to borrow funds and/or make such borrowing possible only on less favourable terms.

As of 31 December 2022, the Group has taken out loans and borrowings in a total outstanding amount of €4,617 million (2021: €4,330 million) that are subject to certain covenants (financial covenants).

Breaches of these covenants could trigger payments into blocked accounts or early repayment obligations on the basis of a contractually agreed escalation procedure. Non-payment of loans when due or not providing further equity funds to finance development when required could result in the loss of part or all of the ownership in a project, and in certain circumstances could also cause a cross-default.

Tax Risks

The Group is predominantly subject to the tax environment in Luxembourg, Cyprus, United Kingdom, Germany and historically, Portugal. Accordingly, the Group's tax burden primarily depends on various aspects of tax laws, as well as their application and interpretation. Amendments to tax laws may have a retroactive effect, and the application or interpretation of tax laws by tax authorities or courts may change. Furthermore, court decisions are occasionally limited to their specific facts by tax authorities. Any of these developments may increase or alter the Group's tax burden. Increases in the applicable Real Estate Transfer Tax ("RETT") rates for the properties in the Group's portfolio could negatively impact the portfolio by, among other things, reducing the value of and the proceeds from a sale of the affected properties or by reducing purchase demand for the affected properties or by reducing the valuation of the affected properties in the portfolio. The Group currently holds real estate in Germany and shares in companies which own real estate in Germany.

Under current German law, the transfer of real estate or of a 90% or greater interest in a company that owns real estate triggers a potential liability for RETT.

Interest Limitations Deduction

The Group has entered into numerous financing transactions with third parties in the past and will continue to do so in the future. In the course of these arrangements, the Group is obliged to pay principal and interest. However, different tax rules in Germany restrict the tax deductibility of interest expenses for corporate income and trade tax purposes. For instance, through the Company Tax Reform (Unternehmenssteuerreform) in 2008, Germany abolished its former regulation of shareholder debt financing and introduced the so called "interest deduction ceiling" (Zinsschranke) which imposes certain restrictions on the deductibility of interest expenses for tax purposes (section 4h of the German Income Tax Act (Einkommensteuergesetz) in conjunction with section 8a of the German Corporate Tax Act (Körperschaftsteuergesetz). Due to the interest deduction ceiling, the deductibility of net interest expenses is generally limited to 30% of taxable EBITDA (taxable income adjusted for interest expense and certain types of depreciation) in any given year, unless certain exceptions apply.

Opportunity of the Group

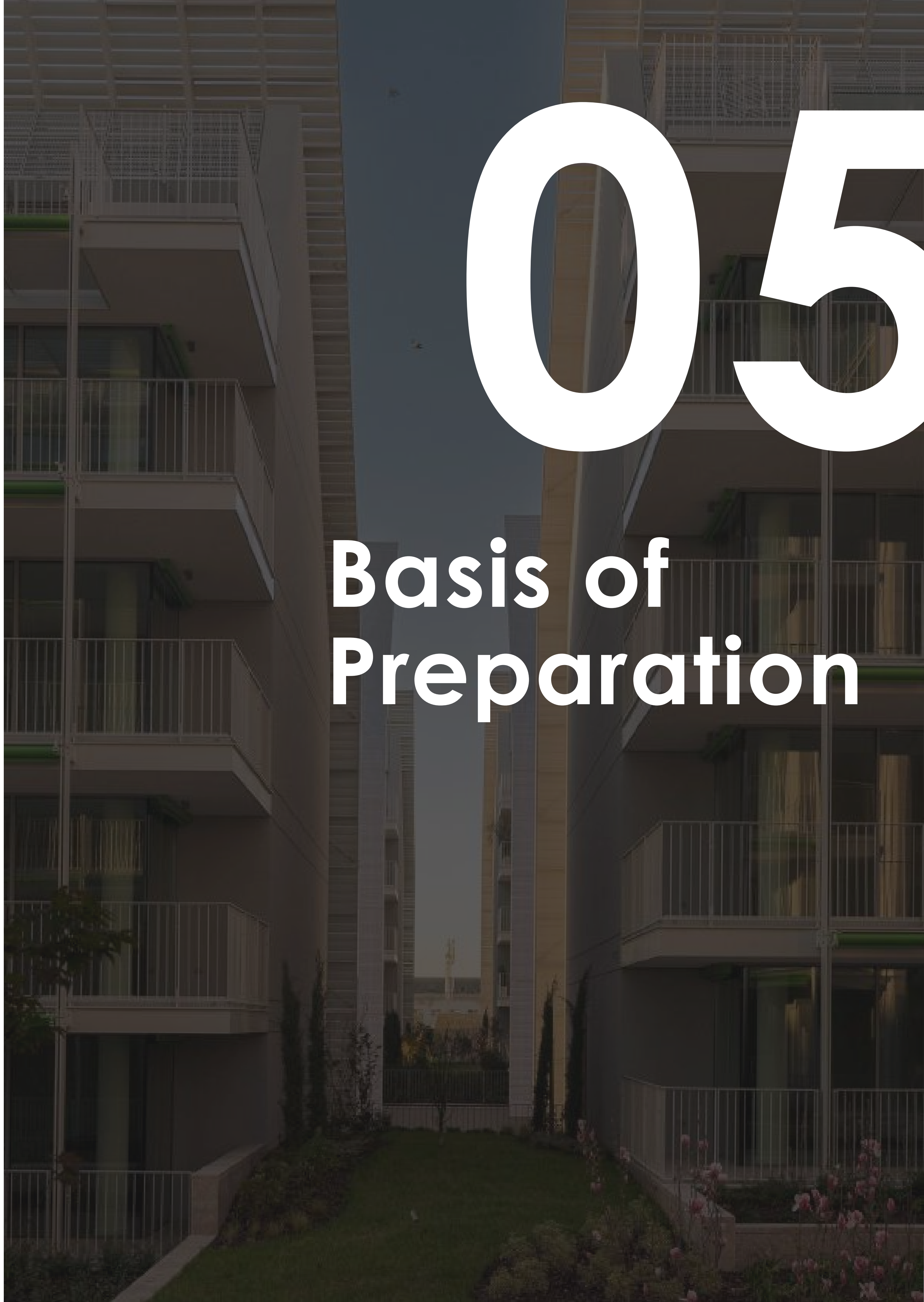
The Group believes that there is significant opportunity in the commercial real estate sector in the medium-term in Germany and German-speaking countries in Europe, due to the lack of expected construction in the current downturn. However, the ability to take advantage of these opportunities requires financing and a platform with an appropriate amount of leverage, and a successful resolution of the required refinancings.

Board of Directors

Mr. Cevdet Caner
Director Class A

Mr. Massimo Longoni
Director Class A

Mrs. Elena Guaraldi
Director Class B



05 Basis of Preparation

Basis of Preparation of the Consolidated Financial Statements

Basis of Preparation

Aggregate has prepared the consolidated financial statements of Aggregate Holdings S.A and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In the opinion of the Board of Directors, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Material uncertainty on going concern

The Board would draw attention to notes 2 (b) and 31 to the consolidated financial statements which describes the current financial status of the Group, in particular with regards to refinancing and resolution of matters relating to debt, commitments, and contingent liabilities, including actual and possible defaults. As described in note 2 (b) to the consolidated financial statements, the Group is dependent on the successful negotiation of refinancings across its projects. These refinancings depend on multiple factors that cannot all be influenced by the Group, and are subject to very material uncertainty. The eventual outcome of these negotiations will likely result in a reduction in Aggregate's equity interest in some or all of the projects, and if unsuccessful these negotiations may result in a restructuring and/or Aggregate not having any interest in some or all of the projects going forward. These events and conditions, along with the other matters as set forth in notes 2 (b) and 31 to the consolidated financial statements, indicate that a material uncertainty exists that does cast significant doubt on the ability of the Group to continue as a going concern.

Audit status

The Group engaged with a Luxembourg auditor and sought to prepare these consolidated financial statements on an audited going concern basis. However, due to the material uncertainty related to matters currently being worked on by the Group to be resolved by multiple refinancings, the auditor was not able to make a positive determination on the going concern basis of the group as at the date of publication of the consolidated financial statements. Aggregate intends to re-engage with the auditor on this topic when and if such material refinancings have been completed, although there is a material risk that all such refinancings will not be successfully implemented. On this basis, the Board of Directors determined to approve the issuance of the consolidated financial statements on an unaudited basis in order to meet the Group's commitments to its investors. It is the Group's intention to reissue these consolidated financial statements on an audited basis when and if the required material refinancings have been completed.

There can be no certainty that the required refinancings will be successfully completed, or that the auditors will provide an opinion on the consolidated financial statements on a going concern basis, or that there will not be material changes to the consolidated financial statements if reissued on an audited basis.

The Board of Directors approved the accounts on 27 June 2023 and issued consolidated financial statements in accordance with IFRS as adopted by the European Union on a going concern basis, while noting that there is a material uncertainty regarding the ability of the company to continue as a going concern. This is based on the fact that the Board of Directors does not intend to liquidate the Group or to cease operations, and has realistic alternatives to these courses of action. In the current uncertain environment, this analysis is subject going forward to changing market conditions and the impact of any outcome of negotiations. To the best of the Board of Directors knowledge, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022.

06

Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

In thousands of €	Note	2022	2021
Income from letting activities		19,819	10,792
Income from property development	5	68,851	35,283
Other operating income	6	83,608	30,143
Total revenue		**172,278**	**76,218**
Change in project related inventory	7	(56,062)	31,209
Overall performance		**116,216**	**107,427**
Net (loss)/income from fair value adjustments of investment properties and investment properties under development	12 (iii)	(1,051,343)	841,565
Net loss from fair value adjustments and disposals of financial assets		(109,454)	(270,350)
Costs for materials	8	(42,490)	(48,064)
Personnel expenses		(13,793)	(7,224)
Impairment of goodwill	4	(1,053,214)	–
Impairment of equity accounted investments	14	–	(219,199)
Impairment of receivables and loan receivables	25	(154,801)	(1,685)
Other operating expenses	9	(147,028)	(78,792)
(Loss)/Profit before interest, tax, depreciation and amortisation		**(2,455,907)**	**323,678**
Depreciation and amortisation		–	68
(Loss)/Profit before interest and tax		**(2,455,907)**	**323,746**
Finance income	10	30,997	10,723
Finance costs	10	(561,395)	(307,899)
Net loss from fair value adjustments of financial derivatives		(4,593)	(1,976)
Share of loss from equity accounted investments	14	–	(307,640)
Gain on disposal of Group subsidiaries		106,394	–
Loss before tax		**(2,884,504)**	**(283,046)**
Income tax benefit (expense)	11	54,230	(189,265)
Loss for the year from continued operation		**(2,830,274)**	**(472,311)**
Discontinued operation			
Loss for the year from discontinued operation, net of tax		–	2,507
Loss for the year		**(2,830,274)**	**(469,804)**

The accompanying notes on pages from 58 to 130 form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income (continued)

For the year ended 31 December 2022

In thousands of €	Note	2022	2021
Loss for the year		**(2,830,274)**	**(469,804)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Revaluation of financial assets at fair value through other comprehensive income	13	(6,698)	126
Operations		(3,804)	1,668
Other comprehensive (loss)/profit for the year, net of tax		**(10,502)**	**1,794**
Total comprehensive loss for the year		**(2,840,776)**	**(468,010)**
Attributable to owners of the Company		**(2,723,929)**	**(574,543)**
Loss from continued operations		(2,723,929)	(577,050)
Loss from discontinued operations		–	2,507
Non-controlling interest		**(106,345)**	**104,739**
Non-controlling interest – continued operations		(106,345)	104,739
Total loss for the year		**(2,830,274)**	**(469,804)**
Attributable to owners of the Company		**(2,734,431)**	**(572,746)**
Loss from continued operations		(2,734,431)	(575,253)
Loss from discontinued operations		–	2,507
Non-controlling interest		**(106,345)**	**104,739**
Non-controlling interest – continued operations		(106,345)	104,739
Total comprehensive loss for the year		**(2,840,776)**	**(468,007)**

The accompanying notes on pages from 58 to 130 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2022

In thousands of €	Note	31 December 2022	31 December 2021
Assets			
Property, plant and equipment		4,983	5,504
Goodwill and intangible assets	4	82,941	1,136,159
Investment property	12	435,669	544,272
Investment property under development	12	2,526,771	3,015,865
Leasehold improvements		3,812	–
Advances		–	15,983
Financial assets	13	417,328	442,677
Financial assets relating to derivatives	17	4,477	36,444
Equity accounted investees	14	–	329,338
Non-current assets		**3,475,981**	**5,526,242**
Inventories	15	656,472	712,330
Trade and other receivables	16	62,130	47,602
Financial assets	13	128,829	142,816
Cash and cash equivalents	18	273,403	392,156
Current assets		**1,120,834**	**1,294,904**
Assets from discontinued operations	19	–	77,044
Assets held for sale	19	125,135	1,007,554
Total assets		**4,721,950**	**7,905,744**

The accompanying notes on pages from 58 to 130 form an integral part of these consolidated financial statements.

Consolidated statement of financial position (continued)

As at 31 December 2022

In thousands of €	Note	31 December 2022	31 December 2021
Equity			
Share capital	20	1,141,429	951,429
Share premium	20	286,349	476,349
Mandatory convertible bonds	20	439,278	425,179
Reserves	20	70,857	77,978
(Deficit)/Retained earning		(123,143)	451,398
Loss for the year		(2,723,926)	(574,542)
Equity attributable to the owners of the Group		**(909,156)**	**1,807,792**
Equity attributable to hybrid holders	20	151,637	151,637
Non-controlling interests	20	235,442	341,788
Total equity		**(522,077)**	**2,301,217**
Liabilities			
Loans and borrowings	21	2,139,983	3,280,810
Financial liabilities relating to derivatives	17	–	8,654
Deferred tax liabilities	23	281,401	265,382
Non-current liabilities		**2,421,384**	**3,554,846**
Loans and borrowings	21	2,476,620	948,936
Financial liabilities relating to derivatives	17	21,247	53,048
Income tax payable		558	895
Provisions	22	22,793	1,342
Trade and other payables	24	193,984	296,753
Current liabilities		**2,715,202**	**1,300,974**
Liabilities from discontinued operations	19	–	43,048
Liabilities held for sale	19	107,441	705,659
Total liabilities		**5,244,026**	**5,604,527**
Total equity and liabilities		**4,721,950**	**7,905,744**

The accompanying notes on pages from 58 to 130 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2022

In thousands of €	Note	Share capital	Share premium	Translation reserve	Other reserves	Fair value reserve: financial assets at fair value through other comprehensive income	Mandatory convertible bonds	Deficit	Total for the Group	Hybrid Instrument	Non-controlling interests	Total equity
Balance at 1 January 2022		951,429	476,349	(1,603)	78,207	1,373	425,179	(123,143)	1,807,791	151,637	341,788	2,301,217
Total loss for the year												
Loss for the year		–	–	–	–	–	–	(2,723,926)	(2,723,926)	–	(106,345)	(2,830,271)
Other comprehensive loss												
Foreign currency translation differences		–	–	(3,804)		–	–	–	(3,804)	–	–	(3,804)
Fair value movement financial assets through other comprehensive income	13	–	–	–	–	(6,698)		–	(6,698)	–	–	(6,698)
Total other comprehensive loss		**–**	**–**	**(3,804)**	**–**	**(6,698)**	**–**	**–**	**(10,502)**	**–**	**–**	**(10,502)**
Total comprehensive loss for the year		**–**	**–**	**(3,804)**	**–**	**(6,698)**	**–**	**(2,723,926)**	**(2,734,429)**	**–**	**(106,346)**	**(2,840,773)**
Movement during the year												
New shares issued		190,000	–	–	–	–	–	–	190,000	–	–	190,000
Share premium paid		–	(190,000)	–	–	–	–	–	(190,000)	–	–	(190,000)
Mandatory convertible bond issued		–	–	–	–	–	14,099	–	14,099	–	–	14,099
Total transactions		**190,000**	**(190,000)**	**–**	**–**	**–**	**14,099**	**–**	**14,099**	**–**	**–**	**14,099**
Changes in ownership interests in subsidiaries												
Disposal of subsidiary with controlling interest		–	–	3,383	–	–	–	–	3,383	–	–	3,383
Other changes		–	–	–	(2)	–	–	1	(1)	–	–	(3)
Changes in non-controlling interests without a change in control		–	–	–	–	–	–	–	–	–	–	–
Total transactions		**–**	**–**	**3,383**	**(2)**	**–**	**–**	**1**	**3,382**	**–**	**–**	**3,380**
Balance at 31 December 2022		**1,141,429**	**286,349**	**(2,023)**	**78,205**	**(5,325)**	**439,278**	**(2,847,068)**	**(909,156)**	**151,637**	**235,442**	**(522,077)**

The accompanying notes on pages from 58 to 130 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (continued)

For the year ended 31 December 2021

In thousands of €	Note	Share capital	Share premium	Translation reserve	Other reserves	Fair value reserve: financial assets at fair value through other comprehensive income	Mandatory convertible bonds	Deficit	Total for the Group	Hybrid Instrument	Non-controlling interests	Total equity
Balance at 1 January 2021		951,429	476,349	(3,273)	(2,082)	1,247	–	451,397	1,875,068	151,637	36,440	2,063,145
Total loss for the year												
Loss for the year		–	–	–	–	–	–	(574,540)	(574,540)	–	104,738	(469,802)
Other comprehensive loss												
Foreign currency translation differences		–	–	1,670	–	–	–	–	1,670	–	–	1,670
Fair value movement financial assets through other comprehensive loss	13	–	–	–	–	126		–	126	–	–	126
Total other comprehensive loss		**–**	**–**	**1,670**	**–**	**126**	**–**	**–**	**1,796**	**–**	**–**	**1,796**
Total comprehensive loss for the year		**–**	**–**	**1,670**	**–**	**126**	**–**	**(574,540)**	**(572,745)**	**–**	**104,738**	**(468,006)**
Movement during the year												
Mandatory convertible bonds issued		–	–	–	–	–	425,179	–	425,179	–	–	425,179
Total transactions		**–**	**–**	**–**	**–**	**–**	**425,179**	**–**	**425,179**	**–**	**–**	**425,179**
Changes in ownership interests in subsidiaries												
Acquisition of subsidiaries with non-controlling interests	4(iii)(b), 20	–	–	–	80,289	–	–	–	80,289	–	200,610	280,899
Total transactions		**–**	**–**	**–**	**80,289**	**–**	**–**	**–**	**80,289**	**–**	**200,610**	**280,899**
Balance at 31 December 2021		**951,429**	**476,349**	**(1,603)**	**78,207**	**1,373**	**425,179**	**(123,143)**	**1,807,791**	**151,637**	**341,788**	**2,301,217**

The accompanying notes on pages from 58 to 130 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

In thousands of €	Note	2022	2021
Cash flows from operating activities			
Loss for the year		(2,830,274)	(469,804)
Adjustments for :			
– Impairment of goodwill	4	1,053,218	–
– Gain on disposal of subsidiaries		(106,394)	–
– Reversal of impairment from prior years from subsidiaries from discontinued operations		10,861	–
– Expected credit losses on non-current and current financial assets	25	154,801	1,685
– Net finance costs		530,398	297,176
– Net decrease/(increase) on fair value of investment properties and investment properties under development	12	1,051,343	(861,257)
– Depreciation and amortisation		–	116
– Share of the profit of equity accounted investees		–	307,640
– Impairment of equity accounted investments		–	219,199
– Impairment on inventories		52,065	510
– Net loss from fair value adjustments and disposals of financial assets		109,454	272,326
– Net loss from fair value adjustments of financial derivatives		4,593	–
– Income tax	11	(54,230)	189,265
Operating cash flows before movements in working capital		**(24,165)**	**(43,144)**
Changes in working capital:			
– Inventories		3,091	(11,196)
– Trade and other receivables		(31,021)	26,392
– Prepayments on development projects		15,983	154
– Trade and other payables		(19,994)	157,494
– Provisions		22,353	(103)
Cash (used in)/generated from operating activities		**(33,754)**	**129,597**
Interest received		7,825	16,483
Interest paid		(137,282)	(159,830)
Income tax paid		–	(139)
Net cash from operating activities		**(163,210)**	**(13,889)**

The accompanying notes on pages from 58 to 130 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows (continued)

In thousands of €	Note	2022	2021
Net cash used in operating activities		**(163,210)**	**(13,889)**
Cash flows from investing activities			
Proceeds from dissolution of swap contracts		18,945	–
Proceeds from disposal of subsidiaries, net of cash disposed of	4	181,703	–
Net assets of subsidiaries disposed net of cash		(184,669)	–
Dividend received		–	18,346
Acquisition of subsidiaries, net of cash acquired	4	–	(505,477)
Acquisition of investment properties/capital expenditure	12	(65,203)	(12,633)
Acquisition of investment properties under development/capital expenditure	12	(233,896)	(270,533)
Acquisition/disposal of property, plant and equipment and intangible assets		(627)	(2,360)
Net movements in financial assets and financial derivatives		41,212	(149,954)
Net movements in loans receivable from third parties and related parties		(81,593)	(237,402)
Net cash used in investing activities		**(324,127)**	**(1,160,013)**
Cash flows from financing activities			
Proceeds from issue of bonds, bank, third parties and related parties loans	21	1,282,122	3,549,135
Repayment of bonds, bank, third parties and related parties loans	21	(913,536)	(2,050,847)
Net cash generated from financial activities		**368,585**	**1,498,288**
Net (decrease)/increase in cash and cash equivalents		**(118,752)**	**324,386**
Cash and cash equivalents at 1 January	18	392,156	67,770
Cash and cash equivalents at 31 December		**273,403**	**392,156**

The accompanying notes on pages from 58 to 130 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Reporting entity

Aggregate Holdings S.A. ("the Company" or together with its subsidiaries, "the Group") was incorporated on 6 February 2015, and is organised under the laws of Luxembourg as a "Société Anonyme" for an unlimited period and domiciled in Luxembourg. The registered office of the Company is at 10 rue Antoine Jans, L-1820 Luxembourg.

The Company's financial year starts on 1 January and ends on 31 December of each year.

The main activity of the Group is the acquisition, development, and project management of real estate development assets with either focus on letting and management of completed projects in its "build to hold segment" or subsequent disposal in its 'build to sell' business pillar. Through its various investments, the Group has built an attractive real estate development pipeline, predominantly in Germany across prime German A city commercial locations, and also in Portugal, with a general focus on large-scale residential development assets. In addition, as of 31 December 2022, the Group had a direct 5.60% stake in ADLER Group S.A., a leading owner of residential real estate in Germany. Supported by local and experienced management teams with long-standing track records, the Group has a strong real estate development and asset management expertise. Refer to Note 31 for details about subsequent events.

Through its existing network built over the past years, the Group has direct access to unique investment opportunities as well as to recurring off-market transactions, guided by its seasoned and well-rounded senior management team and the expertise of its shareholder and advisors.

The direct owner of Aggregate Holdings S.A. is Lavinia B.V. The ultimate beneficial owners are Mr. Günther Walcher with 80% of the shares, and Mr. Cevdet Caner with 20% of the shares.

The consolidated financial statements of the Group comprise the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group as at and for the year ended 31 December 2022.

2. Basis of preparation

(a) Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and as adopted in the European Union and interpretations issued from the IFRS Interpretation Committee ("IFRIC") and adopted in the European Union.

The consolidated financial statements of Aggregate Holdings, S.A. and its subsidiaries for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 27 June 2023.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(b) Going concern

The consolidated financial statements of the Group were prepared on a going concern basis.

The Group requires debt financing or disposals to refinance existing loans and to fund project development, acquisitions, interest and overheads and other commitments and obligations. The financing options available are dependent on the group's credit worthiness, and also depend on several factors that cannot all be influenced by the Group, such as market interest rates, the amount of financing required, tax aspects and collateral required, and general market conditions and market sentiment.

In the current environment, following the significant reduction in valuations from rising yields and general real estate market conditions, combined with the cost overruns caused in large part by high inflation and delays due to the war in Ukraine and residual impacts from the Coronavirus pandemic, financings and refinancings are very challenging for the Aggregate group. The Group's access to financing and liquidity has been severely impacted along with its ability to the meet its obligations from existing financing or other agreements.

There are currently a significant number of refinancing discussions ongoing across the group, including for the QH Track project, the Fürst project and for the Castle development projects. Aggregate is in negotiations with these financing providers, in order to secure an extension or standstill to allow for refinancing and asset sales of certain assets, in combination with incremental funding for relevant development milestones. A number of Aggregate group facilities are in default, including facilities related to these portfolios and certain of them are overdue. Negotiations are ongoing. The eventual outcome of these negotiations will likely result in a reduction in Aggregate's equity interest in some or all of the projects, and if unsuccessful these negotiations may result in a restructuring and/or Aggregate not having any interest in some or all of the projects going forward.

Aggregate's aim is to refinance or extend all of its material loans in order to allow for a deferral of material repayments and material unfunded interest amounts until the projects have been completed and the market has recovered, and to reach satisfactory agreements to reduce the risks to its going concern status from actual or contingent liabilities. In addition, as part of the discussions, the aim is to increase to an appropriate level the management fees payable by these projects in order to provide additional operating cashflow to the group going forward. There is a high risk that Aggregate will not be successful in renegotiating all of its financings, and may not be successful in renegotiating any of its financings.

The cashflows of the Group are subject to a number of key assumptions regarding successful refinancing of Aggregate's debts and renegotiations regarding management fees. In the current economic and market environment, all such assumptions are highly uncertain.

The Board of Directors of the Group has considered the facts above and their expectations, and has determined to have the consolidated financial statements prepared and approved on a going concern basis, while noting that there is a material uncertainty regarding the ability of the company to continue as a going concern.

(c) Basis of measurement

The Group has elected to present a single consolidated statement of profit or loss and other comprehensive income and presents its expenses by nature. The consolidated statement of cash flows from operating activities is presented using the indirect method. Interest received and interest paid are shown separately within operating cash flows. The acquisition of investment properties is disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

Even if some of the derivatives held by the Group are settled gross by distinct delivery of the two legs of the agreements, because of the reduced short timing difference between paying and receiving legs, the Group presents all the payments on hedging instruments on a net basis in the consolidated statement of cash flows.

The consolidated financial statements have been prepared on a historical-cost basis, except for investment properties under development, investment properties, investment properties classified as assets held for sale, derivative financial instruments and financial assets and financial liabilities held at fair value through profit or loss (FVPL), financial assets held at fair value through other comprehensive income which have been measured at fair value.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(d) Functional and presentation currency

These consolidated financial statements are presented in €, which is the functional currency of the Group. All financial information is presented in € rounded to the nearest thousand, unless otherwise indicated.

(e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires the Board of Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The Board of Directors of the Company believe that the underlying assumptions are appropriate.

Accounting estimates and judgements

Information about critical judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

> **Note 4, Business combinations and asset acquisitions** – The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including investment property, are acquired. More specifically, consideration is given to the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.).

IFRS 3 defines a business as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. The application guidance to IFRS 3 describes the components of a business as inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. If the assets acquired and liabilities assumed do not constitute a business, the transaction is to be accounted for as an acquisition of a group of assets and the cost of the group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase and goodwill is not recognised.

> **Note 4 (i), Goodwill and intangible assets** – Goodwill arises on the acquisition of businesses and represents the excess of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs that is expected to benefit from the synergies of the combination.

Goodwill impairment reviews incorporate estimates, assumptions, and judgements on the carrying value of the CGU containing the goodwill and its estimated recoverable amount. Refer to Note 4(ii) for further details on goodwill impairment.

> **Note 12** – Measurement of investment properties and investment properties under development – the input factors applied in the valuation models to determine the market values of investment property, such as expected cash flows, presumed development of rents, presumed vacancy rates, the discount rates and the capitalisation rate represent significant measurement parameters. These input factors are based on assumptions about the future. The input factors are determined by external valuation experts, based on publicly available market information, as well as the insights of the Group.

> **Note 17** – The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

> **Note 20** – During the year 2016, the Group successfully placed €151,637 thousand in aggregate principal amount of Hybrid capital notes. These are unsecured, non-recourse and perpetual instrument considered equity due to its features.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

Accounting estimates and judgements (continued)

> **Note 20 and 21** – During the year ended 31 December 2022, the Group issued mandatory convertible bonds for a total amount of €14,700 thousand. The treatment of mandatory convertible bonds which compel the holders to convert the bonds (rather than being at the holder's option) depends on whether the number of shares issued on conversion are variable or fixed:

> If the mandatorily convertible bonds can only be settled by the issue of a variable amount of ordinary shares calculated to equal a fixed amount in the issuer's functional currency (that is, there is a repayment of principal, albeit in shares), the instrument is a liability;

> If the mandatorily convertible bonds can only be settled by the issue of a fixed number of ordinary shares, that part of the instrument is an equity component.

> **Note 11 and 23** – The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions. The deferred taxes recognised as at 31 December 2022 are mainly deriving from temporary differences linked to investment property and investment property under development for which sensitivity analysis is provided in note 12 to the consolidated financial statements.

Measurement of fair values

Several of the Group's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The financial department of the Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services is used to measure fair values, then the financial department assesses the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

The Board of Directors has established a process to identify and review material movements in assets and also to ensure valuation trends are in line with market expectations.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different level in a fair value hierarchy based on the inputs in the valuation techniques as follows:

> Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

> Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

> Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

> **Note 4** – Business combinations and asset acquisitions;

> **Note 12** – Investment properties and investment properties under development;

> **Note 25** – Financial instruments.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies

The significant accounting policies disclosed below have been applied during all periods represented in these consolidated financial statements.

(a) Basis of consolidation

(i) Business combinations and goodwill

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as of 31 December 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

> Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
> Exposure, or rights, to variable returns from its involvement with the investee.
> The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

> The contractual arrangement(s) with the other vote holders of the investee.
> Rights arising from other contractual arrangements; and
> The Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date it ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it de-recognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Associated companies are those companies in which the Group generally has between 20% and 50% of the voting rights, or over which the Group exercises significant influence, but which it does not control. Investments in associated companies are accounted for under the equity method or the fair value method where certain criteria are met under IAS 28.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date at fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Business combinations and goodwill (continued)

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU.

(ii) Acquisitions of non-controlling interests

Acquisitions of non-controlling interests (NCI) are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised. The adjustments to non-controlling interests, arising from transactions that do not lead to loss of control, are based either on fair value or non-controlling interest proportionate share of the acquired subsidiary's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

The Group's interests in equity-accounted investments comprise interests in associates and joint venture arrangements. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights for its assets and obligations for its liabilities.

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Acquisitions of non-controlling interests (continued)

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Net income from equity accounted investments' in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no evidence of impairment.

(v) Property acquisitions and business combinations

Where property is acquired, via corporate acquisitions or otherwise, the Board of Directors considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity or assets and liabilities is allocated between the identifiable assets and liabilities (of the entity) based on their relative values at the acquisition date. Accordingly, no goodwill or deferred taxation arises.

(vi) Investment entities

The Group through one of its subsidiaries, holds the majority of equity in limited partnership and investment funds domiciled in foreign jurisdictions. The Group does not have control, does not have rights, to variable returns from its involvement with the investee, nor can affect those returns through its power over the investee of the underlying investee companies. As such, these investee companies are classified as investment entities. The status of the following indicative criteria, based on the characteristics as defined per IFRS 10 – Consolidated financial statements, have also been considered in the assessments for the classifications:

> The underlying investee companies have more than one investment.
> The underlying investee companies have more than one investor.
> The investors in the underlying investee companies are not a related party to the Group.
> The ownership of the Group in the underlying investee companies is equity stake.

As a result, the Group does not consolidate the above investee companies and the investments in the investee companies are classified at fair value through profit or loss and are measured at fair value. Gains or losses on investments in investee companies are recognised directly in equity, through profit or loss.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(b) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The Board of Directors must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

> Represents a separate major line of business or geographical area of operations.
> Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.
> Is a subsidiary acquired exclusively with a view to resale according to IFRS 5.32.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognised in profit or loss, except for differences arising on the re-translation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(c) Foreign currency (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to euro at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of only part of its interest in a subsidiary but retaining control, then the relevant proportion of the cumulative amount is re-attributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in other comprehensive income, and accumulated in the translation reserve.

(d) Financial assets and financial liabilities

Financial assets

Initial recognition and measurement

Financial assets are measured at their fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Group's rent and other trade receivables do not contain a significant financing component or for which the Group has applied the practical expedient, they are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on revenues from contracts with customers.

For a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified per the following categories:

> Financial assets at fair value through profit or loss (equity instruments and derivative financial instruments);
> Financial assets at fair value through other comprehensive income; and
> Financial assets at amortised cost (loan receivables, rent and other trade receivables, contract assets and cash and short-term deposits).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes equity instruments and financial derivative instruments which are further described in Note 13 and Note 17.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are carried in the statement of financial position at fair value with net changes in fair value recognised in other comprehensive income (item that may be subsequently reclassified to profit or loss). Refer to Note 13.

Financial assets at amortised cost

For purposes of subsequent measurement, the Group measures financial assets at amortised cost if both of the following conditions are met:

> The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling financial asset; and
> The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

Since the Group's financial assets (loan receivables, rent and other trade receivables, contract assets, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e., removed from the Group's consolidated statement of financial position) when:

> The rights to receive cash flows from the asset have expired; or
> The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

Financial liabilities

Initial recognition and measurement

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

The Group's financial liabilities comprise interest-bearing loans and borrowings, lease liabilities, derivative financial instruments and trade and other payables.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Refer to the accounting policy on leases for the initial recognition and measurement of lease liabilities, as this is not in the scope of IFRS 9.

All financial liabilities are recognised initially at fair value and with the exception of derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Gains and losses are recognised in profit or loss when the liabilities are de-recognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in profit or loss. Derivative financial instruments are classified as financial assets at fair value through profit or loss and are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. Refer also to the accounting policy in Note 17 and Note 25.

Refer to the accounting policy on lease for the subsequent measurement of finance lease liabilities, as this is not in the scope of IFRS 9. For more information on the interest-bearing loans and borrowings, see Note 21.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Compound financial instruments

Compound financial instruments issued by the Group comprises mandatory convertible bonds denominated in € that can be converted to share capital at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(e) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future Expected Credit Loses (ECL) that have not yet been incurred) discounted using the asset's original EIR. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as credit loss expense.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery, and all collateral has been realised or has been transferred to the Group. If a previous write-off is later recovered, the recovery is credited to the credit loss expense.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(g) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its risks associated with interest rates, total return swaps and options. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group has not opted for hedge accounting.

(h) Property, plant and equipment

(i) Recognition and measurement

Initial recognition

Items of property, plant and equipment are measured initially at acquisition cost comprising the purchase price, any import duties and non-refundable purchase taxes, and all directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials and direct labour, an appropriate share of production overheads, the costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Property, plant and equipment includes artefacts are held for long-term capital appreciation. Artefacts are initially recognised at amortised costs and subsequently carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent measurement

Subsequent to initial recognition, the items of property, plant and equipment are measured at cost less accumulated amortisation/depreciation incurred and impairment losses.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is capitalised only in case it increases the future economic benefits embodied in the item of property, plant and equipment and the cost can be measured reliably. The carrying amount of the replaced part is de-recognised. All other expenditure is recognised in profit or loss when incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of other fixtures and fittings, tools and equipment are between 4 and 13 years.

The methods of depreciation, useful life determination and residual values are reviewed at each reporting date and are adjusted if appropriate.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(i) Intangible assets

(i) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives of intangible assets vary between 3 and 7 years.

(j) Investment properties and investment properties under development

Investment properties comprise completed property and property under development or re-development that is held, to earn rentals or for capital appreciation, or both.

Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the commencement of development with a view to sale (for a transfer from investment property to inventories) or inception of an operating lease to another party (for a transfer from inventories to investment property).

Investment property is de-recognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

(k) Inventories and work-in-progress including acquired land and building

Inventories and work-in-progress are valued at the lower of cost and net realisable value.

The cost of inventories and work in progress shall comprise all costs of purchase, costs of construction and other costs incurred in bringing the inventories to their current condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The cost of inventories includes furthermore a reasonable share of the indirect overhead based on normal production capacity as well as attributable borrowing costs.

Differences between inventories and work-in-progress' cost and its net realisable value, when lower, as well as the price of potentially outdated materials, are recognised as write-down of inventories to expenses.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset, classified as part of the cost of that asset, are subject to capitalisation.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(l) Leases

Where the Group, as lessee, had substantially all the risks and rewards of ownership, such leases are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there was no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Lease payments are discounted at the implicit interest rate underlying the lease if this can be determined without difficulty. Otherwise – and this is generally the case in the Group – the lease is discounted at the lessee's incremental borrowing rate, i.e., the interest rate that the respective lessee would have to pay if it were required to borrow funds to acquire, in a similar economic environment, an asset of similar value for a similar term with comparable security under similar conditions.

In determining the term of leases, the Group considers all facts and circumstances that provide an economic incentive to exercise renewal options or not to exercise termination options. Changes in the term resulting from the exercise of renewal and termination options are only included in the term of the lease if renewal or non-exercise of a termination option is reasonably certain. In connection with the leasing of real estate, the following considerations apply when determining the term of leases:

> If the Group incurs significant penalty payments in the event that a termination option is exercised or an extension option is not exercised, it is generally considered sufficiently certain that the Group will not terminate or extend the contract.

> Where leasehold improvements have been made that have a significant residual value, it is generally considered reasonably certain that the Group will extend or terminate the contract.

> In addition, other factors are considered, such as historical leasing periods as well as costs and possible business interruptions.

The assessment is reviewed if an extension option is exercised (or not exercised) or the Group is obliged to do so. A reassessment of the original assessment is made if a significant event or change in circumstances occurs that could affect the original assessment.

(m) Share Capital

All ordinary shares are classified as equity. The Group's equity is presented in accordance with the historical cost principle as at the registration date.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Restructuring

The provision for expenditures relevant to the restructuring is recognised if the Group has an approved detailed formal plan for restructuring and the restructuring has begun or it has been publicly announced. Future operating losses are not recognised as provisions.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(n) Provisions (continued)

(ii) Legal disputes

Where it is probable that an outflow of economic benefits will be required to settle the obligation under a legal dispute, the Group recognises a provision. The provision is valued at the best estimate of the Group's legal advisors. If the amount of the obligation cannot be reliably measured a contingent liability is disclosed.

(o) Revenue

(i) Sale of goods

Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Services rendered

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(iii) Investment property letting activities

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income.

Service charges passed on to tenants are generally offset against the corresponding expense and are therefore not recognised as income, as the Group collects these charges on behalf of third parties.

(iv) Finance income and finance costs

The Group's finance income and finance costs include:

> interest income from related parties.

> interest expense.

> dividend income.

> the foreign currency gain or loss on financial assets and financial liabilities.

> borrowing costs capitalised (Group's Earnings before interest, tax, depreciation and amortisation (EBITDA) recorded a positive impact from capitalisation of borrowing costs in the same amount).

Interest income from related parties or expense is recognised using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Foreign currency gains and losses are reported on a net basis.

(p) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Current tax payable also includes any tax liability arising from the declaration of dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(p) Income tax (continued)

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

> temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

> temporary differences related to investments in subsidiaries, associates and joint venture arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

> taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is possible that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

In determining the amount of current and deferred tax the Company considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered though sale, and the Group has not rebutted this presumption.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(q) New standards, amendments and interpretations that were issued but not yet applicable as at 31 December 2022

Amendments to IAS 1 – not yet endorsed by the EU: Classification of Liabilities as Current or Non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

Amendments to IAS 1 – not yet endorsed by the EU: Non-current Liabilities with Covenants. In October 2022, the IASB issued Non-current Liabilities with Covenants, (Amendments to IAS 1), to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies. In February 2021, the IASB issued amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8: Definition of Accounting Estimate. In February 2021, the IASB issued amendments to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. In May 2021, the IASB amended the standard to reduce diversity in the way that entities account for deferred tax on transactions and events, such as leases and decommissioning obligations, that lead to the initial recognition of both an asset and a liability. The amendments apply for annual reporting periods beginning on or after 1 January 2023 and may be applied early.

(u) New Standards Issued – effective from 1 January 2022

Reference to the Conceptual Framework – Amendments to IFRS 3: In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

(v) The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Amendments to IAS 37: Onerous Contracts — Cost of Fulfilling a Contract. The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

Annual improvements to IFRS Standards 2018-2020: The annual improvements to IFRS consists of amendments to IFRS 1, IFRS 9, IFRS 16, and IAS 41. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

Notes to the consolidated financial statements (continued)

4. Business combinations and asset disposals

(i) Goodwill and intangible assets

In thousands of €	Note	2022	2021
VIC Properties Holding S.A.		1,134,924	1,134,924
Impairment of goodwill	ii	(1,053,214)	–
Goodwill		**81,710**	**1,134,924**
Other intangible assets		1,231	1,235
Total intangible assets		**82,941**	**1,136,159**

(ii) Goodwill impairment test performed during 2022

The Group tests whether goodwill has suffered an impairment on annual basis.

The Group has completed the sales of its subsidiary VIC Properties S.A. described, SA on 5 May 2023 as a subsequent event (see further description in Note 31 – Subsequent events, the Group has performed an). Due to this subsequent event, the Board of Directors have considered that the disposal of VIC Properties, S.A., should be considered as an adjusted subsequent event in relation to the assessment on the impairment of goodwill for the year ended 31 December 2022.

As a consequence of the disposal, the Group considers that the majority of the carrying amount of the goodwill cannot generate to the business any financial resources in the future. Therefore, it has been concluded to impair the goodwill on the amount of €1,053,214 thousand as of 31 December 2022, as an adjusted subsequent event.

As of 31 December 2022, the amount of goodwill of €81,710 thousand represents the future profit on the disposal, reflecting total liabilities transferred being higher than the book value of the assets disposed.

The remaining amount of goodwill of €81,710 thousand has been impaired on 5 May 2023 as part of the disposal of VIC Properties S.A.

(iii) Asset acquisitions

There were no asset acquisitions during the year ended 31 December 2022.

(iv) Asset disposals

Fliptag Investment Ltd

On 9 November 2021, Aggregate Isle of Man 3 Limited, being the holding company of Fliptag Investment Ltd, signed a Share Purchase Agreement (SPA) with a third party for the sale and purchase of the entire issued share capital of Fliptag Investment Ltd for a total consideration as follows:

> The Share consideration – GBP 1,133 thousand and subject to any adjustments is to be calculated and satisfied with the provisions of Schedule 7 of the SPA; and

> Shareholder loan consideration – GBP 4,978 thousand.

On 28 February 2022, the Group completed to the disposal of Fliptag Investment Ltd.

Notes to the consolidated financial statements (continued)

4. Business combinations and asset disposals (continued)

(iv) Asset disposals (continued)

Havza Limited and Oldbourne & Oldbourne Hospitality Limited

On 9 November 2021, Aggregate Isle of Man 4 Limited, being the holding company of Havza Limited and Oldbourne & Oldbourne Hospitality Limited, signed a Share Purchase Agreement (SPA) with a third party, for the sale and purchase of the entire issued share capital of Havza Limited and Oldbourne & Oldbourne Hospitality Limited for a total consideration as follows:

Havza Limited

> The Share consideration – GBP 1, and

> Shareholder loan consideration – GBP 14,296 thousand and subject to any adjustments is to be calculated and satisfied with the provisions of Schedule 7 of the SPA.

On 28 February 2022, the Group completed the disposal of Havza Limited.

Oldbourne & Oldbourne Hospitality Limited

The sale consideration, as estimated in the completion accounts, amounts to GBP 1,906 thousand and subject to any adjustments is to be calculated and satisfied in accordance with the provisions of Schedule 7 of the SPA.

On 28 February 2022, the Group completed the disposal of Oldbourne & Oldbourne Hospitality Limited.

The Group has incurred a profit amounting to €18,063 thousand as part of the result of disposal of UK entities (Fliptag Investment Ltd, Havza Limited and Oldbourne & Oldbourne Hospitality Limited).

In thousands of €	Fliptag Investment Ltd 01-01-2022 to 28-02-2022	Havza Limited 01-01-2022 to 28-02-2022	Oldbourne & Oldbourne Hospitality Ltd 01-01-2022 to 28-02-2022
Equity shares consideration received	7,282	17,032	2,271
Net assets of UK entities disposed	(996)	(1,118)	(6,409)
Profit on disposal of UK entities	**6,286**	**15,915**	**(4,138)**

Notes to the consolidated financial statements (continued)

4. Business combinations and asset disposals (continued)

(iv) Asset disposals (continued)

The following table presents UK entities' income statements consolidated by the Group.

In thousands of €	Fliptag Investment Ltd 01-01-2022 to 28-02-2022	Havza Limited 01-01-2022 to 28-02-2022	Oldbourne & Oldbourne Hospitality Ltd 01-01-2022 to 28-02-2022
Total income	–	–	–
Other operating income	–	–	445
Overall performance	**–**	**–**	**445**
Net income from fair value adjustments of investment properties	1,482	–	–
Costs for materials	–	–	179
Personnel expenses	–	–	(513)
Net write (off)/down of loans receivables and loans payables	–	(13,174)	33,980
Other operating expenses	(127)	(81)	(813)
Earnings before interest, tax, depreciation and amortisation	**1,355**	**(13,255)**	**33,278**
Depreciation and amortisation	–	–	(3)
Earnings before interest and tax	**1,355**	**(13,255)**	**33,275**
Finance income	–	599	–
Finance costs	–	(5,399)	(692)
Earnings before tax	**1,355**	**(18,056)**	**32,583**
Income tax	–	–	–
Profit for the period	**1,355**	**(18,056)**	**32,583**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences from foreign operations	(1,405)	83	(849)
Other comprehensive loss for the period, net of tax	**(1,405)**	**83**	**(849)**
Total comprehensive (loss)/income for the period	**(50)**	**(17,973)**	**31,734**

Notes to the consolidated financial statements (continued)

4. Business combinations and asset disposals (continued)

(iv) Asset disposals (continued)

QHD1

On 9 September 2022, Aggregate Holdings S.A., through its subsidiary QH GmbH has disposed of QHD1.

The Group has incurred a profit amounting to €31,646 thousand as part of the result of disposal of QHD1.

In thousands of €	01/01/2022 to 06/09/2022
Equity shares consideration received	196,270
Adjusted net asset value of QHD1	(164,624)
Profit on disposal of QHD1	**31,646**

The following table presents QHD1 income statement consolidated by the Group.

In thousands of €	01/01/2022 to 06/09/2022
Total income	6,605
Other operating income	275
Overall performance	**6,880**
Other operating expenses	(3,087)
Earnings before interest, tax, depreciation and amortisation	**3,793**
Depreciation and amortisation	(2,657)
Earnings before interest and tax	**1,136**
Finance income	213
Finance costs	(2,707)
Loss before tax	**(1,358)**
Income tax	–
Loss for the period	**(1,358)**

Ensembles (QHD2, QHD6, QHD7, QHD8 and QHD Holdco II)

On 10 November 2022, Aggregate Holdings S.A., through its subsidiary QH GmbH, has disposed QH Colonnades, QH Straight and QH Crown 2 for a gross purchase price of €488 million, at a premium to its externally appraised gross development value as of FY 21.

On 6 November 2022, the Group completed to the disposal of Ensembles.

Notes to the consolidated financial statements (continued)

4. Business combinations and asset acquisitions (continued)

(iv) Asset disposal (continued)

The Group has incurred a profit amounting to €73,987 thousand as part of the result of disposal of Ensembles.

In thousands of €	**01/01/2022 to 06/11/2022**
Equity shares consideration received	280,475
Adjusted net asset value of Ensembles	(206,488)
Profit on disposal of Ensembles	**73,987**

The following table presents Ensembles income statement consolidated by the Group.

In thousands of €	**01/01/2022 to 06/11/2022**
Total income	–
Other operating income	6,845
Overall performance	**6,845**
Other operating expenses	(2,951)
Earnings before interest, tax, depreciation and amortisation	**3,894**
Depreciation and amortisation	–
Earnings before interest and tax	**3,894**
Finance income	18,884
Finance costs	(10,312)
Earnings before tax	**12,466**
Income tax	–
Profit for the period	**12,466**

The finance income primarily relates to the determination of the interest swap.

Notes to the consolidated financial statements (continued)

5. Income from property development

In thousands of €	**2022**	**2021**
Income from real estate inventory disposed of	68,851	35,283
	68,851	**35,283**

6. Other operating income

In thousands of €	**Note**	**2022**	**2021**
Interest income from loans receivable from third parties	13	53,597	24,306
Other income		29,357	5,807
Income from provided services		654	30
		83,608	**30,143**

7. Change in project related inventories

Change in project related inventory comprises the changes from sale of projects and beginning of over-time realisation as well as the increase through capitalisation of building and construction costs.

In thousands of €	**2022**	**2021**
Capitalised finance costs (See Note 10)	20,266	20,037
Capitalised other expenses (See Note 8)	41,988	48,954
Cost of goods sold	(66,251)	(37,272)
Inventory write downs losses	(52,065)	(510)
	(56,062)	**31,209**

8. Cost of materials

In thousands of €	**2022**	**2021**
Expenses for preparation and development	924	10,456
Expenses for Building – Building construction	33,812	31,013
Ancillary building costs	93	328
Other expenses for raw materials, consumables and supplies and for purchased goods	–	192
Non-deductible VAT	7,661	6,075
	42,490	**48,064**

Notes to the consolidated financial statements (continued)

9. Other operating expenses

In thousands of €	Note	2022	2021
Other commissions and professional fees (i)		83,777	34,336
Accounting and audit fees		4,017	3,342
Repairs and Maintenance		820	1,065
Director's fees		1,275	205
Other hired services (ii)		12,077	7,598
Other taxes		5,064	5,074
Other expenses (iii)		39,998	27,172
		147,028	**78,792**

(i) Other commissions and professional fees are mainly composed of legal fees and financial advisory services paid to the third parties.

(ii) Other hired services comprise primarily of utilities and office management expenses.

(iii) Other expenses are mainly composed of car and travel expenses, VAT non-deductible expenses and other operating and administrative expenses.

(iv) Number of employees

	2022	2021
Number of employees	**85**	**167**

10. Net finance income/(costs)

In thousands of €	Note	2022	2021
Finance income			
Interest income from related parties	13	7,774	4,400
Dividend income	13	415	3,971
Net foreign exchange gain		1,044	521
Other finance income		21,764	1,831
		30,997	**10,723**
Finance costs			
Interest expense	21	(482,868)	(248,426)
Other finance costs		(78,527)	(59,473)
		(561,395)	**(307,899)**
Net finance costs		**(530,398)**	**(297,175)**

Borrowing costs capitalised during the reporting period amount to €20,226 thousand (2021: €20,037 thousand) (See Note 7). Accordingly, the Group's EBITDA recorded a positive impact from capitalisation of borrowing costs in the same amount.

Notes to the consolidated financial statements (continued)

11. Income tax expense

Recognised in the statement of profit or loss

In thousands of €	Note	2022	2021
Current tax expense			
Current tax expense		(167)	(1,225)
Deferred tax			
Deferred tax liabilities recognised in current year	23	54,397	(194,076)
Deferred tax assets recognised in current year	23	–	6,036
		54,397	(188,041)
Total income tax benefit (expense) recognised in the statement of profit or loss		**54,230**	**(189,266)**

Reconciliation of effective tax rate

In thousands of €	2022	2022	2021	2021
Loss before tax	%	(2,884,504)	%	(283,046)
Corporate tax based on domestic tax rate	24.94%	(719,395)	24.94%	(70,592)
Effect from non-recognition of deferred tax assets on loss carry forward		718,095		32,772
Effect on non-deductible expenses		4,976		45,061
Effect of exempt income		–		(7,649)
Effect of different tax rates in foreign jurisdictions		3,079		(817)
Net movement in deferred tax expenses		47,475		(188,040)
		773,625		(118,674)
		54,230		**(189,266)**

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development

The movement during 2022 is as follows:

In thousands of €	Note	2022	2021
Investment properties			
At 1 January		556,001	57,161
Reclassification from discontinued operations		70,357	(70,357)
Reclassification from/(as) held for sale	19	(2,848)	–
Reclassifications from investment properties under development		191,323	171,334
Acquisition of subsidiaries with investment properties	4(iii)d	–	198,756
Transfer fit out costs		(4,678)	–
Disposal of subsidiary with investment properties		(367,440)	–
Capital expenditure on investment properties		63,389	12,633
Change in fair value during the year		(70,435)	186,474
Total investment properties at 31 December		**435,669**	**556,001**
Investment properties under development			
At 1 January		3,004,136	1,486,136
Reclassification as held for sale	19	(40,700)	(984,220)
Transfer/(reclassification) as Held for Sale		912,970	–
Reclassification to investment properties		(191,323)	(171,334)
Acquisition of subsidiaries with investment properties under development	4(iii)d	–	1,728,238
Disposal of subsidiary with investment properties under development		(394,239)	–
Capital expenditure on investment properties under development		216,533	270,533
Change in fair value during the year		(980,605)	674,783
Total investment properties under development as at 31 December		**2,526,772**	**3,004,136**

Investment properties and investment properties under development of €2,962,441 thousand (2021: €3,560,137 thousand) have been pledged to secure bank loans.

The investment properties under development comprised of Quartier Heidestrasse, Fürst, Ringbahnhöfe and Castle projects. The total costs capitalised on these projects for the year ended 31 December 2022 amounted to €279,921 thousand (2021: €283,166 thousand).

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(i) Investment properties

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of the investment properties, as well as the significant unobservable inputs used.

Fair value hierarchy

The fair value measurement of investment properties has been categorised as level 3 fair value based on the inputs to the valuation technique used. Valuations of properties have been made by licensed independent third-party's appraisers, who hold recognised and relevant professional qualification and who have recent experience in the location, and category of the investment properties being valued.

Quartier Heidestrasse (QH Crown I)

Valuation technique	Significant unobservable inputs
Residual value method: The valuation (market value of the site) is carried out with the application of the residual valuation method. The approach is a deductive method to derive the value of a still undeveloped building land respectively a project in the construction process according to its construction/development progress. Thereby, the current sustainable current value is derived from the final value of a project as a starting point by deducting the services still to be carried out (construction, marketing, financing costs, etc.) in the sense of or the costs that arise.	Market rent, per sq./m: > Residential (non-rent controlled) €21.00/m² > Retail €22.50/m² > Office €36.00/m² > Parking €125.00/unit Void period – 6 months Rent free period – n/a Capitalisation rate – 3.25% Long-term vacancy rate weighted average – 0.00% Discount rate – n/a due to residual value

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

The external valuation was performed using the residual value method.

The key inputs used by the valuers in arriving to the valuation are as follows:

Quartier Heidestrasse (QH Track)

Valuation technique	Significant unobservable inputs
Residual value method: The valuation (market value of the site) is carried out with the application of the residual valuation method for BT A-G. The approach is a deductive method to derive the value of a still undeveloped building land respectively a project in the construction process according to its construction/development progress. Thereby, the current sustainable current value is derived from the final value of a project as a starting point by deducting the services still to be carried out (construction, marketing, financing costs, etc.) in the sense of or the costs that arise. *Discounted Cash Flow (DCF):* The calculation of the Market Value of BT H-I is based on a Discounted Cash Flow (DCF) model. The DCF was calculated for a 10-year period and assumed a capitalised value based on a stabilised rental income of the property after this period, the Terminal Value. Remaining construction costs have been deducted.	Market rent, per sq./m: > Office €35.85/m² > Parking €125/unit Gross multiplier on market rent, 20.04-28.01 Capitalisation rate – 3.25%-3.50% Rent free period – 3 months Discount rate – 5.10%-5.60% Void period – 3-9 months

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

Fürst

Valuation technique	Significant unobservable inputs
Residual value method: The valuation (market value of the site) is carried out with the application of the residual valuation method for BT 1-5, BT 7-8. The approach is a deductive method to derive the value of a still undeveloped building land respectively a project in the construction process according to its construction/development progress. Thereby, the current sustainable current value is derived from the final value of a project as a starting point by deducting the services still to be carried out (construction, marketing, financing costs, etc.) in the sense of or the costs that arise. *Discounted Cash Flow (DCF):* The calculation of the Market Value of BT 6 is based on a Discounted Cash Flow (DCF) model. The DCF was calculated for a 10-year period and assumed a capitalised value based on a stabilised rental income of the property after this period, the Terminal Value. Remaining construction costs have been deducted.	Market rent, per sq./m: > Food establishment area €35.00/m² > Retail €51.65/m² > Office €41.82/m² > Other lettable area €14.11/m² > Hotel €28.00/m² > Leisure €21.67/m² > Parking €195.00/unit Gross multiplier on market rent, weighted average – 26.97-29.99 Capitalisation rate – 3.05% to 3.45% Rent free period – 1-3 months Discount rate – 4.20% Vacancy rate after completion – 10.00% Void period – 3-9 months

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

Ringbahnhoefe

Valuation technique	Significant unobservable inputs
Residual value method: The valuation (market value of the site) is carried out with the application of the residual valuation method. The approach is a deductive method to derive the value of a still undeveloped building land respectively a project in the construction process according to its construction/development progress. Thereby, the current sustainable current value is derived from the final value of a project as a starting point by deducting the services still to be carried out (construction, marketing, financing costs, etc.) in the sense of or the costs that arise.	Net operating profit per year until terminal date Market rent, per sq./m: > Residential €18.75/m² > Social Housing €6.60/m² > Residential – serviced apartments €28.00/m² > Retail €24.00/m² > Kindergarden €14.00/m² > Gym €15.00/m² > Storage €5.00/m² > Office €29.00/m² > Student apartment €20.00/m² > Parking €125.00/unit Vacancy and collection loss – 3.6% Capitalisation rate – 3.03% Long-term vacancy rate weighted average – n/a

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

Castle Portfolio

Green Living

Valuation technique	Significant unobservable inputs
Residual value method: The valuation (market value of the site) is carried out with the application of the residual valuation method. The approach is a deductive method to derive the value of a still undeveloped building land respectively a project in the construction process according to its construction/development progress. Thereby, the current sustainable current value is derived from the final value of a project as a starting point by deducting the services still to be carried out (construction, marketing, financing costs, etc.) in the sense of or the costs that arise.	Market rent, per sq./m: > Residential (non-rent controlled) €14.00/m² > Social housing (rent controlled) €6.60/m² > Retail €12.00/m² > Office €17.00/m² > Parking €80.00 €/unit > Gross multiplier on market rent, weighted average – 27.90 Capitalisation rate – 3.10% Discount rate – n/a due to residual value method used > Vacancy rate after completion – n/a

Walter

Valuation technique	Significant unobservable inputs
Residual value method: The valuation (market value of the site) is carried out with the application of the residual valuation method. The approach is a deductive method to derive the value of a still undeveloped building land respectively a project in the construction process according to its construction/development progress. Thereby, the current sustainable current value is derived from the final value of a project as a starting point by deducting the services still to be carried out (construction, marketing, financing costs, etc.) in the sense of or the costs that arise.	Market rent, per sq./m: > Office €20.00/m² > Hotel €17.84/m² > Parking €75.00 €/unit > Gross multiplier on market rent, weighted average – 21.60 Capitalisation rate – 4.06% Discount rate – n/a due to residual value method used > Vacancy rate after completion – n/a

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

Castle Portfolio (continued)

Remaining portfolio

Valuation technique	Significant unobservable inputs
Residual value method: The value of the investment property under construction is based on market conventions on the value the investment property under development would be sold or respectively purchased as a development project. Due to the unique nature of the investment property, there is no directly comparable purchase or offer prices. The valuation was carried out with the application of the residual valuation method. The residual value is determined by first calculating the net capital value of the investment property under construction after completion of the planned development project. The costs for the assumed development are subtracted from the net capital value, resulting in the remainder.	Market rent, per sq./m: > Office €16.34/m² > Residential €17.18/m² > Social housing €6.60/m² > Retail €13.94/m² > Hotel €21.16/m² > Parking €102.48 €/unit > Gross multiplier on market rent, weighted average – 21.75 Capitalisation rate – 4.01% Discount rate – n/a due to residual value method used > Vacancy rate after completion – n/a

The analysis for investment properties and investment properties under development shows the potential fluctuation in the fair value of investment properties and investment properties under development as the main input factors increase or decrease by a certain percentage as of 31 December 2022:

Quartier Heidestrasse

In thousand € – Sensitivity		**Market rent**	
As at 31 December 2022	-5.00%	0.00%	5.00%
Market rent			
Fair value of investment properties and investment properties under development	1,028,800	1,073,300	1,117,900
In thousand € – Sensitivity		**Capitalisation rate**	
As at 31 December 2022	– 25bps	0.00%	+ 25bps
Capitalisation rate			
Fair value of investment properties and investment properties under development	1,161,800	1,073,300	997,100
In thousand € – Sensitivity		**Construction costs**	
As at 31 December 2022	-10%	0.00%	10%
Construction costs			
Fair value of investment properties and investment properties under development	1,090,000	1,073,300	1,056,200
In thousand € – Sensitivity		**Construction period**	
As at 31 December 2022	– 6 months	0.00%	+ 6 months
Construction period			
Fair value of investment properties and investment properties under development	1,082,200	1,073,300	1,064,600

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

Fürst

In thousand € – Sensitivity		**Market rent**	
As at 31 December 2022	-5.00%	0.00%	5.00%
Market rent			
Fair value of investment properties and investment properties under development	894,300	950,600	1,006,800
In thousand € – Sensitivity		**Capitalisation rate**	
As at 31 December 2022	– 25bps	0.00%	+ 25bps
Capitalisation rate			
Fair value of investment properties and investment properties under development	1,048,600	950,600	867,200
In thousand € – Sensitivity		**Construction costs**	
As at 31 December 2022	-10%	0.00%	10%
Construction costs			
Fair value of investment properties and investment properties under development	970,900	950,600	930,200
In thousand € – Sensitivity		**Construction period**	
As at 31 December 2022	– 6 months	0.00%	+ 6 months
Construction period			
Fair value of investment properties and investment properties under development	968,300	950,600	933,200

Ringbahnhofe

In thousand € – Sensitivity		**Market rent**	
As at 31 December 2022	-5.00%	0.00%	5.00%
Market rent in €O			
Fair value of investment properties and investment properties under development	183,700	208,100	232,500
In thousand € – Sensitivity		**Capitalisation rate**	
As at 31 December 2022	– 25bps	0.00%	+ 25bps
Capitalisation rate			
Fair value of investment properties and investment properties under development	244,000	208,100	176,900
In thousand € – Sensitivity		**Construction costs**	
As at 31 December 2022	-10%	0.00%	10%
Construction costs			
Fair value of investment properties and investment properties under development	236,600	208,100	179,600
In thousand € – Sensitivity		**Construction period**	
As at 31 December 2022	– 6 months	0.00%	+ 6 months
Construction period			
Fair value of investment properties and investment properties under development	211,100	208,100	205,300

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

Castle Portfolio

WALTER

Residual value excluding value of plot in sale discussions

Total Earnings

Total costs including risks								
in million €		1,054.00	1,116.00	1,178.00	1,240.00	1,302.00	1,364.00	1,426.00
		-15%	-10%	-5%	0%	5%	10%	15%
900.15	-15%	141.64	203.64	265.64	327.64	389.64	451.64	513.64
953.10	-10%	88.68	150.68	212.68	274.68	336.68	398.68	460.68
1,006.05	-5%	35.71	97.71	159.71	221.71	283.71	345.71	407.71
1,059.00	0%	-17.26	44.74	106.74	168.74	230.74	292.74	354.74
1,111.95	5%	-70.23	-8.23	53.77	115.77	177.77	239.77	301.77
1,164.90	10%	-123.20	-61.20	0.80	62.80	124.80	186.80	248.80
1,217.85	15%	-176.17	-114.17	-52.17	9.83	71.83	133.83	195.83

Castle Portfolio (continued)

GREEN LIVING

Residual value of the plot

Total Earnings

Total costs including risks								
in million €		1,156	1,224	1,292	1,360	1,428	1,496	1,564
		-15%	-10%	-5%	0%	5%	10%	15%
965	-15%	176.92	244.92	312.92	380.92	448.92	513.92	584.92
1,022	-10%	120.14	188.14	256.14	324.14	392.14	460.14	528.14
1,079	-5%	63.35	131.35	199.35	267.35	335.35	403.35	471.35
1,136	0%	6.57	74.57	142.57	210.57	278.57	346.57	414.57
1,192	5%	-50.21	17.79	85.79	153.79	221.79	289.79	357.79
1,249	10%	-106.99	-38.99	29.01	97.01	165.01	233.01	301.01
1,306	15%	-163.77	-95.77	-27.77	40.23	108.23	176.23	244.23

Fair value hierarchy

The fair value measurement of investment properties under development has been categorised as level 3 fair value based on the inputs to the valuation technique used. Valuations of investment properties and investment properties under development have been made by third parties independent licensed appraisers, that hold a recognised and relevant professional qualification and have experience in the location and category of the investment properties under development being valued.

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(iii) Capitalised borrowing costs

During the year, the Group capitalised borrowing costs related to the acquisition of land and construction costs amounted to €14,919 thousand (2021: €5,782 thousand).

Net income from fair value adjustments of investment properties and investment properties under development

In thousands of €	Note	2022	2021
Change in fair value during the year			
Investment properties		(70,435)	186,474
Investment properties under development		(980,605)	674,783
Total		**(1,051,040)**	**861,257**
Net income from fair value adjustments of investment properties and investment properties under development from continued operations		(1,051,040)	841,565
Net income from fair value adjustments of investment properties and investment properties under development from assets held for sale		(303)	–
Net income from fair value adjustments of investment properties and investment properties under development from discontinued operations	19	–	19,692
		(1,051,343)	**861,257**

13. Financial assets

In thousands of €	Note	2022	2021
Non-current			
Loans receivable from related parties	25	155,968	103,029
Loans receivable from third parties	25	259,079	317,826
Financial assets at fair value through other comprehensive income	25	–	6,698
Deposits	25	650	116
Lease receivables		1,577	–
Other financial assets		54	15,008
		417,328	**442,677**
Current			
Loans receivables from related parties	25	49,254	37,064
Loans receivable from third parties	25	46,032	57,086
Financial assets at fair value through profit or loss	25	33,400	48,232
Deposits	25	143	136
Other financial assets-current		–	298
		128,829	142,816
Total		**546,157**	**585,493**

Notes to the consolidated financial statements (continued)

13. Financial assets (continued)

Loans receivable from third parties

The Group has granted loans to third parties for a total amount of €457,334 thousand (2021: €376,597 thousand). These loans have maturity terms of zero to 120 months and interest varies from 2.50% to 19.75%. During the year, the Group granted new loans to third parties for a net total consideration of €69,510 thousand (2021: new loans €183,237 thousand).

The Group has performed an analysis on the expected credit losses and an amount of €152,223 thousand (2021: €1,685 thousand) has been recognised during the year 2022. Refer to Note 25 for more details.

During the year 2022, interest income received as follows:

> Interest income from loans and receivables from related parties amounts to €7,774 thousand (2021: €4,400 thousand). See Note 28 for more details.
> Interest income from loans and receivables from third parties amounts to €45,796 thousand (2021: €24,306 thousand).

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income relates to equity investment held for an amount of nil (2021: €6,698 thousand).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represents investment held in shares and bonds for a total amount of €33,400 thousand (2021: €48,232 thousand).

As part of the reclassification detailed in Note 14, the financial assets at fair value thought profit or loss includes €8,814 thousand related to the remaining shares in ADLER Group S.A

Dividend income received during the year 2022 amounts to nil (2021: €3,971 thousand).

14. Equity accounted investments

Investments in equity accounted investees as of 31 December 2022 is nil (31 December 2021: €329,338 thousand):

In thousands of €	**2022**	**2021**
Balance at 1 January	329,338	870,552
Impairment loss	–	(219,199)
Disposals	(258,881)	–
Fair value adjustment	(61,643)	–
Transfer to financial assets FVPL	(8,814)	–
Dividend income received	–	(14,375)
Loss related to equity accounted investees (net of tax)	–	(307,640)
Balance at 31 December	**–**	**329,338**

On 31 January 2022, Vonovia Finance B.V. (referred as the "lender" hereafter) sent a letter to the Group, which claimed that a breach of LTV ratio had occurred on 28 January 2022. According to this Margin Call Notice, the lender requested the Group to transfer a Margin call amount to cure the LTV breach identified including a certificate of no default event to be provided. On 22 February 2022, the Group received an enforcement notice whereby the lender had enforced the pledge over the ADLER shares and appropriated 24,082,663 ADLER shares based on €10.44 per share with immediate effect. As a result of such appropriation with immediate effect, the lender became the sole owner of the 24,082,663 ADLER shares. Consequently, after the appropriation of the ADLER shares by the lender, the fair value of the call option signed on 7 October 2021 is determined at nil as of 31 December 2022. The remaining 7,166,727 ADLER shares pledged and not appropriated by the lender were released on 29 April 2022. As of 31 December 2022, the Group held c.5.60% in ADLER Group S.A. and re-classified as financial assets at fair value through profit or loss.

Notes to the consolidated financial statements (continued)

15. Inventories

Inventories consist of the following:

In thousands of €	**2022**	**2021**
Real estate "Apartments for sale"	13,743	1,955
Real estate "Other construction work"	280,547	299,194
Land and sites	361,807	410,981
Inventories – supplies	375	200
	656,472	**712,330**

As at 31 December 2022, the inventories consisted of three real estate development projects the Group realises in Portugal.

The Group has recognised net write down on inventories for an amount of €52,065 thousand (2021: €510 thousand) as at 31 December 2022.

As at 31 December 2022, the Group has received €14,981 thousand (2021: €20,747 thousand) as advances for purchase of real estate recognised under "Trade and other payables" within current liabilities.

In 2022, the Group capitalised €20,266 thousand of borrowing costs (2021: €20,037 thousand).

As at 31 December 2022, inventories of €656,472 thousand have been pledged to secure bank loans (2021: €712,330 thousand).

16. Trade and other receivables

In thousands of €	**Note**	**2022**	**2021**
Trade receivables	25	23,141	32,110
Tax receivables		71	164
Prepayments		2,328	3,843
Other receivables	25	36,590	11,485
		62,130	**47,602**

Notes to the consolidated financial statements (continued)

Notes to the consolidated financial statements (continued)

17. Financial assets/liabilities relating to derivatives

The Group enters a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, options and interest rate swaps.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Financial assets relating to derivatives

In thousands of €	Note	2022	2021
Interest rate swap – non current	25	4,477	583
Options	17a)	–	35,861
		4,477	**36,444**

Financial liabilities relating to derivatives

In thousands of €	Note	2022	2021
Interest rate swap: non current		–	8,654
Options	17b)/25	21,247	1,033
Embedded derivatives: current		–	52,015
		21,247	**61,702**

a) In 2021, one of the subsidiaries of the Group, being the Purchaser, entered into a call option agreement and granted to a third party, being the Seller, a call option, pursuant to which the Purchaser, may, at any time, during the call option exercise period by service of a written notice on the Seller, require the Seller to sell to the Purchaser the 5,850,000 shares in ADLER Group S.A. on the terms and conditions per the agreement. The consideration of €4.62 per share plus 6% coupon on the share price per annum to be calculated on the basis of the actual number of days elapsed during the call option period. Exercise of the call option is conditional on the conditions laid down in Clause 4 of the call option agreement, being satisfied (or any that have not been satisfied being waived in writing by agreement between the Purchaser and the Seller) during the call exercise period, which is 12 months from and including 13 October 2021. The call option expired during 2022.

b) In 2021, the Group being the Purchaser, entered into a put option agreement and hereby grants to a third party, being the Seller, a put option, pursuant to which the Seller, may, at any time, during the put option exercise period by service of a written notice on the Purchaser, requires the Purchaser to purchase from the Seller the 5,850,000 shares in ADLER Group S.A. on the terms and conditions per the agreement. The consideration of €4.62 per share plus 6% coupon on the share price per annum to be calculated on the basis of the actual number of days elapsed during the call option period. The put option agreement was extended to 13 October 2023.

The Group has assessed the fair value of the put option agreement at €21,247 thousand as of 31 December 2022.

c) In 2021, a subsidiary of the Group and a third party entered into call options, exercisable by the third party at any time prior to 30 June 2024 on three subsidiaries of ZA Castle GmbH. In September 2022, the call options were cancelled as part of the QH Core sale transaction. The fair value of these call options is nil as of 31 December 2022 and recorded under financial liabilities relating to derivatives.

d) In 2021, the Company and the Sellers holding 10.10% of shares in Fürst entered into a put option agreement, under which, the Company irrevocably offers to the sellers to purchase the 10.10% participation, together with a third party. Per the option agreement, as amended subsequently, the Company and the Nominee is a co-debtor for the purchase price consideration for an amount of €62,000 thousand. The Group has assessed the fair value of the put option agreement and determined a fair value nil as of 31 December 2022 (2021: nil).

18. Cash and cash equivalents

Cash and cash equivalents exclusively comprise balances with banks. The cash and cash equivalents represent the financial resources of the Group.

Restricted cash and cash equivalents are subject to restrictions, particularly with regards to their use for the financed properties and as a minimum to secure future interest payments. A smaller proportion is subject to transfer controls, i. e. these funds must be held by certain group companies in accordance with the respective loan agreement.

In thousands of €	Note	2022	2021
Cash in hand		–	1
Restricted cash – current		271,407	317,039
Current accounts with banks		1,996	75,116
Total cash and cash equivalents	25	**273,403**	**392,156**
Cash and cash equivalents in the consolidated statement of cash flows			
Restricted cash – current		271,407	317,039
Current accounts with banks, cash in hand and cash in transit		1,996	75,117
		273,403	**392,156**

Notes to the consolidated financial statements (continued)

Notes to the consolidated financial statements (continued)

19. Assets and liabilities held for sale

(i) As of 31 December 2022, the details of the assets and liabilities from discontinued operations and held for sale are as follows:

Assets from discontinued operations

In thousands of €	Note	2022	2021
Investment properties	12	–	70,357
Trade and other receivables	25	–	5,250
Cash and cash equivalents	25	–	1,437
Total		**–**	**77,044**

Assets held for sale

In thousands of €	Note	2022	2021
Investment properties		2,848	984,220
Investment properties under development		120,546	–
Trade and other receivables	25	760	2,035
Cash and cash equivalents	25	981	21,299
Total		**125,135**	**1,007,554**

Liabilities held for sale

In thousands of €	Note	2022	2021
Loans and Borrowings	25	97,259	622,604
Deferred tax liabilities	23	5,769	76,437
Trade and other payables	25	4,413	6,618
Total		**107,441**	**705,659**

20. Registered capital and reserves

The total number of shares of the Company is 11,414,291,799 shares per €0.1 each, issued and fully paid.

Registered (share) capital

In thousands of €	2022	2021
At 1 January	951,429	951,429
New shares issued	190,000	–
At 31 December	**1,141,429**	**951,429**

Pursuant to a board resolution dated 7 February 2022, it was resolved to increase the share capital of the Company by the creation and issuance of 1,900,000,000 under bearer form, each with a nominal value of €0.1 recorded under the share premium account.

Equity attributable to hybrid holders

On 30 December 2016, the Group successfully placed €151,637 thousand in aggregate principal amount of Hybrid capital notes. This is an unsecured, non-recourse and perpetual instrument considered equity due to its features. The notes shall bear interest on their principal amount as follows:

a) From 30 December 2016 until 30 December 2023, or any other date that may be agreed on by the issuer and the holder (the First Call Date), at the rate of 4.50% per annum; and

b) From the First Call Date to the date on which the Issuer redeems the notes in whole, at the relevant Reset Rate of Interest, as defined in the terms and conditions of the hybrid capital notes.

Mandatory convertible bonds

a) On 30 and 31 March 2021, the Group placed unsecured, fixed-rate mandatory convertible bonds with a total nominal amount of €331,120 thousand. The mandatory convertible bonds carry 2.00% per annum and matures on 1 December 2025. Interest shall be paid annually in arrears. In case of a change of control and the Company not redeeming the mandatory corporate bonds in whole, the applicable rate of interest of the mandatory convertible bonds will increase by an additional 5% per annum.

As of 31 December 2022, the interest portion of the mandatory convertible bonds is classified as a financial liability and is grouped under loans and borrowings for an amount of €17,427 thousand.

b) On 31 August 2021, the Group placed unsecured, fixed-rate mandatory convertible bonds with a total nominal amount of €129,800 thousand. The mandatory convertible bonds carry 2.00% per annum and matures on 31 August 2024. Interest shall be paid annually in arrears. In case of a change of control and the Company not redeeming the mandatory convertible bonds in whole, the applicable rate of interest of the bonds will increase by an additional 5% p.a. The net proceed of the mandatory convertible bonds was used to fund the acquisition of Ringbahnhofe during the year. As of 31 December 2022, the interest portion of the corporate bond is grouped under loans and borrowings for a total consideration of €8,140 thousand.

c) On 7 June 2022 the Group placed a tap of the unsecured, fixed-rate mandatory convertible bonds under the above terms and conditions in the amount of €14,700 thousand.

Based on the features of the mandatory convertible bonds, principal outstanding amount have been classified as equity in line with IAS 32 and interest portion as financial liability and grouped under "Bonds issued" (See Note 21).

Other reserves

Other reserves include post acquisition legal and other reserves. Legal reserves are accumulated in accordance with the requirements of the Respective Commercial Acts of the countries in which the subsidiaries of the Group are incorporated. These reserves may only be used to cover annual loss or losses from previous years.

Other reserves are accumulated from allocation of financial results pursuant to decisions of the Sole shareholder.

Notes to the consolidated financial statements (continued)

20. Registered capital and reserves (continued)

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Non-controlling interest

In thousands of €	2022	2021
NCI at 1 January	341,788	36,440
Acquisition of subsidiary with NCI	–	200,610
Impact on NCI of results of subsidiaries during the year	(106,346)	104,738
	235,442	**341,788**

Profit and loss

Distribution of retained earnings is subject to provisions of the Luxembourg law on commercial companies dated on 10 August 1915, as subsequently amended and the Company's statute.

21. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings.

For more information about the Group's exposure to credit risks, liquidity risks and market risks, see Note 25.

Non-current liabilities

In thousands of €	2022	2021
Bank and third party loans – non-current portion	1,243,932	1,330,469
Related party loans – non-current portion	34,241	34,617
Bonds issued	861,810	1,915,724
	2,139,983	**3,280,810**

Current liabilities

In thousands of €	2022	2021
Bank and third party loans – current portion/short term	432,927	503,605
Related party loans – current portion	23,829	23,494
Bonds issued	1,909,916	402,475
Coupon interest due on bonds issued	109,947	19,362
	2,476,619	**948,935**
Total loans and borrowings	**4,616,603**	**4,229,745**

Notes to the consolidated financial statements (continued)

21. Loans and borrowings (continued)

The detail of the bonds and notes issued is as follows:

	Type of debt	Interest rate of issuance	Maturity	2022	2021
Aggregate Holdings S.A.	Unsecured notes	5.50%	17/May/24	68,450	252,675
Aggregate Holdings S.A.	Unsecured notes	6.88%	9/Nov/25	595,944	542,533
Aggregate Holdings S.A.	Mandatory convertible bonds	2.00%	31/Aug/24	31,362	30,200
Aggregate Holdings S.A.	Mandatory convertible bonds	2.00%	1/Dec/25	9,942	7,186
Aggregate Holdings 4 S.A.	Junior notes	13.10%	28/Nov/23	23,341	25,709
Project Lietzenburger Straße Propco S.à r.l.	Secured Notes	5.00%	28/Nov/23	773,498	761,690
Project Lietzenburger Straße Propco S.à r.l.	Secured Notes	3.00%	28/Nov/23	151,524	139,977
Aggregate Deutschland S.A.	Unsecured notes	12.00%	16/Jan/23	155,566	123,886
VIC Properties S.A.	Unsecured notes	5.00%	24/Aug/23	6,713	6,767
VIC Properties S.A.	Convertible bonds	3.00%	20/Jan/23	383,565	227,496
Green Living PG GmbH	Secured Notes	3.00%	3/Mar/24	100,756	100,573
The Walter PG Holding GmbH	Secured Notes	3.00%	4/Dec/23	25,189	25,185
The Walter PG GmbH	Secured Notes	3.00%	28/Feb/23	48,493	48,486
The Walter PG II GmbH	Secured Notes	3.00%	29/Apr/23	25,216	25,183
The Walter PG III GmbH	Secured Notes	4.00%	15/Jul/23	20,168	20,016
Castle Investment Holding S.à r.l.	Secured Notes	18.00%	28/Feb/23	141,026	–
CBP Entwicklungsgesellschaft mbH Immobilienverwaltung	Secured Notes	3.50%	16/Mar/23	20,203	–
CBP Entwicklungsgesellschaft mbH Immobilienverwaltung	Secured Notes	4.00%	16/Mar/23	8,599	–
Heart Office PG GmbH	Secured Notes	3.00%	30/Aug/23	26,263	–
Haupstadt Living PG GmbH	Secured Notes	3.00%	22/Oct/23	27,663	–
AHZ Adlershof Entwicklungs GmbH	Secured Notes	3.00%	18/Dec/22	27,435	–
Niederrad Entwicklungs GmbH	Secured Notes	3.00%	7/Nov/22	51,718	–
The Harbour Projekt GmbH	Secured Notes	3.00%	28/May/23	32,087	–
Rhine and Fine PG GmbH	Secured Notes	3.00%	19/Dec/23	26,197	–
The Theo PG GmbH	Secured Notes	3.00%	28/Jan/25	100,755	–
Total				**2,881,672**	**2,337,561**

Notes to the consolidated financial statements (continued)

21. Loans and borrowings (continued)

a) On 2 February 2022, a lender which had provided a margin loan secured against Adler Group shares held by Aggregate enforced and appropriated Adler Group shares in February 2022, as a result of an alleged breach of the LTV ratio. This resulted in the loan of €251,000 million being fully extinguished, in exchange for shares, which were valued at €10.44 per share, significantly above the current trading price.

b) On 28 February 2022 the sales of Havza Limited and Oldbourne & Oldbourne Hospitality Limited were closed, and as a result debt in an amount equivalent to €40,000 thousand was eliminated from Aggregate's balance sheet.

c) On 16 March 2022 CBP Entwicklungsgesellschaft GmbH, a holding company for an asset in the Castle portfolio, entered into new senior and junior financing facilities secured against the project in a total amount of €28,500 thousand, with uses including refinancing existing debt and funding capex.

d) On 8 April 2022 a junior debt facility secured against QH Track, the largest segment of Quartier Heidestrasse, was refinanced and increased by €260,000 thousand to €370,000 thousand. The net proceeds subsequently drawn were primarily used to reduce mezzanine debt at Quartier Heidestrasse GmbH and fund interest and other cash reserves.

e) On 2 May 2022 the mezzanine debt owed to a lender at Quartier Heidestrasse GmbH (the "QH Mezzanine Debt") was partially repaid from the proceeds of a loan secured against QH Track. Further facilities were committed and drawn as a result of amendments to the QH Mezzanine Debt loan agreement in 2022. Cash proceeds from the sale of QH Straight, Colonnades, Crown II and Spring, were applied to reduce the balance of the QH Mezzanine debt. In 2022, the net change in the QH mezzanine debt was a reduction of the outstanding accrued balance by €147,000 thousand.

f) Pursuant to a written resolution on 25 May 2022, amendments were made to the €250,000 thousand 3.00 per cent. Secured Pre-IPO Convertible Bonds due 2025 (ISIN XS1964739715) (the "VIC bonds"), including the following: (i) an extension of the first optional put date from 28 May 2022 to 28 September 2022; (ii) an additional call option which grants the Issuer an ability to redeem the VIC Bonds at any time by giving notice; (iii) an increase in the redemption price of the VIC Bonds payable upon repayment; (iv) the accession of Aggregate as guarantor to the VIC Bonds, the Trust Deed and the Agency Agreement in respect of the payment obligations of the Issuer under the VIC Bonds.

Pursuant to a further written resolution on 26 September 2022, further changes were made, including: an extension of the First Optional Put Date from 28 September 2022 to 30 April 2023; (ii) an extension of the M&A Completion Deadline from 28 December 2022 to 28 February 2023.

g) As a result of the sale of QH Core which closed 6 September 2022, project debt of €133,000 thousand was assumed by the buyer of the project. In addition, as consideration for the equity purchase price of QH Core, on 6 September 2022 the group received €196,270 thousand of Aggregate Holdings S.A. 2024 5.5% bonds. These bonds are held at a subsidiary of Quartier Heidestrasse, and pledged to secure mezzanine debt at Quartier Heidestrasse GmbH.

h) On 14 October 2022, Aggregate Holdings S.A. entered into a loan agreement in an amount of €18,000 thousand.

i) On 10 November 2022, as a result of the sale of the QH Ensembles assets, senior and junior project debt of €272,000 thousand at QHD 2,6,7,8 was assumed by the buyer. In addition, in connection with this transaction total cash payments were received which were applied to reduce mezzanine debt at Quartier Heidestrasse GmbH.

j) On 5 December 2022, Aggregate Deutschland 2 S.À.R.L. signed a loan agreement to convert certain fees owed into a loan, in an amount of €16,000 thousand.

k) On 31 December 2022 Aggregate entered into an agreement for a short term extension of Notes due at Aggregate Deutschland, which had an initial principal amount of €131,00 thousand and which were originally due on 31 December 2022.

l) In 2022 German Invest 2 S.A.R.L entered into agreements to amend the terms and conditions of its notes with initial principal amount of €130,000 thousand, including extending the maturity to January 2023.

Notes to the consolidated financial statements (continued)

21. Loans and borrowings (continued)

m) The majority of the group's borrowing agreements have requirements in the form of covenants, such as maximum loan to cost ratios (LTC) and/or loan-to-value (LTV) ratios, and some debt agreements impose obligations on the group if cost overruns occur. Loans typically benefit from security against assets, such as land charges, or share pledges. At 31 December 2022, the Group was engaged in constructive discussions to address existing or anticipated breaches of the terms & conditions of its debt facilities, to achieve required amendments or waivers, as well as to resolve any existing issues and provide additional funding for capex.

n) Loans and borrowings bear an average interest rate of 7.2% per annum (2021: 6.4% per annum). The average maturity of loans and borrowings is 1.05 years (2021: 2.3 years). The unamortized amount of issuance cost for loans and borrowings amounts to €21,202 thousand (2021: €30,198 thousand).

22. Provisions

In thousands of €	2022	2021
Provisions for bonus	346	124
Legal costs provision	599	–
Other provisions	21,848	1,219
	22,793	**1,343**

Other provisions is composed mainly of capital expenditure amounting to €9,000 thousands, brokerage commission amounting to €3,000 thousands of Quartier Heidestrasse Group and the remaining amount is primarily related to legal provision within the Group.

23. Deferred tax assets and liabilities

Deferred tax assets and liabilities recognised in the Statement of financial position

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
In thousands of €	2022	2021	2022	2021	2022	2021
Investment properties and investment properties under development	–	–	(258,831)	(240,057)	(258,831)	(240,057)
Inventories	–	–	(24,082)	(38,023)	(24,082)	(38,023)
Losses carried forward	1,511	12,698	–	–	1,511	12,698
Deferred tax assets/(liabilities)	**1,511**	**12,698**	**(282,912)**	**(278,080)**	**(281,401)**	**(265,382)**

Liabilities held for sale

	Assets		Liabilities		Net	
In thousands of €	2022	2021	2022	2021	2022	2021
Investment properties and investment properties under development	–	–	(5,769)	(76,437)	(5,769)	(76,437)
Deferred tax liabilities	**–**	**–**	**(5,769)**	**(76,437)**	**(5,769)**	**(76,437)**
Deferred tax assets/(liabilities)	**1,511**	**12,698**	**(288,682)**	**(354,517)**	**(287,171)**	**(341,819)**

Notes to the consolidated financial statements (continued)

23. Deferred tax assets and liabilities (continued)

In thousands of €	Balance at 1/1/2022	Statement of profit or loss	Held for sale	Balance at 31/12/2022
Investment properties and investment properties under development	(240,057)	51,643	(70,417)	(258,831)
Inventories	(38,023)	13,941	–	(24,082)
Losses carried forward	12,698	(11,187)	–	1,511
	(265,382)	**54,397**	**(70,417)**	**(281,401)**

In thousands of €	Balance at 1/1/2021	Statement of profit or loss	Held for sale	Balance at 31/12/2021
Investment properties and investment properties under development	(122,418)	(194,076)	76,437	(240,057)
Inventories	(38,023)	–	–	(38,023)
Losses carried forward	6,662	6,036	–	12,698
	(153,779)	**(188,040)**	**76,437**	**(265,382)**

During the year 2022, the Group has not recognised deferred tax assets (2021: €12,698 thousand).

The Group has not recognised deferred tax assets on accumulated tax losses carried forward for an amount of €821,947 thousand across all subsidiaries as it is not probable that the temporary difference will be reversed in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilised. The tax losses are carried forward for a period not exceeding 17 years.

24. Trade and other payables

In thousands of €	Note	2022	2021
Payable to non-subsidiaries		21,000	21,000
Payables to suppliers		138,441	133,073
Payables to personnel		2,859	2,228
Taxes payable		6,240	7,639
Advances received for real estate under development	15	14,981	20,747
Deposits received		–	553
Deferred consideration		–	24,374
Other payables	25	10,462	87,138
		193,983	**296,752**

Notes to the consolidated financial statements (continued)

25. Financial instruments

The Group is exposed to the following risks arising from the use of its financial instruments:

> Credit risks.
> Liquidity risks.
> Market risks.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies, and processes for measuring and managing risk, and the Group's capital management. Further quantitative disclosures are included in the notes to these consolidated financial statements.

Risk management framework

The Group's principal financial liabilities, other than derivatives, are loans and borrowings. The main purpose of the Group's loans and borrowings is to finance the acquisition and development of the Group's property portfolio.

The Group has rent and other receivables, trade and other payables and cash and short-term deposits that arise directly from its operations.

The Group is exposed to market risk (including interest rate risk and real estate risk), credit risk and liquidity risk. The Group's senior management and advisors oversee the management of these risks. The Group's senior management and advisors ensure that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with Group's policies and risk objectives.

Credit risks

Credit risks are the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in financial instruments.

Receivables resulting from the sale of inventory property

Customer credit risks are managed by requiring customers to pay advances before transfer of ownership, therefore, substantially mitigating the Group's credit risk in this respect.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group's maximum exposure to credit risk for the components of the statement of financial position as of 31 December 2022 and 2021 is the carrying amounts of each class of financial instruments.

Credit risks exposures

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since the initial recognition of a specific facility or whether an asset is considered credit-impaired. The Group adopts a forward exposure method for computing the ECL for each financial asset at amortized costs.

Due to the nature of the debt instruments within Aggregate Holdings S.A. and its subsidiaries, the Group has separated loans requiring impairment from loans continuing in the ordinary course. The loans have been assessed based on the criteria below and on other data as well. In conclusion, the Aggregate debt instruments are either I) loans which have effectively been repaid post balance-sheet and therefore no ECL is required (Stage 1), ii) loans which are considered appropriate for a Stage 2 ECL analysis, due to the fact that these are subordinated loans, or iii) loans which are considered appropriate for a Stage 3 ECL analysis, due to the fact the loans require impairment.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Credit risks (continued)

a) Maturity of the debt instrument, classified as:

> Less than 3 months.
> More than 3 months and less than one year.
> More than one year but less than two years and
> More than 2 years.

b) Historical data and past knowledge of no write-off in relation to the debt instrument.

Expected Credit Loss

Measuring Probability of Default ("PD")

PD is determined taking into consideration the following criteria:

> the borrower's maturity date
> international rating agencies have classified the country of domiciliation of the borrowers and provided evidence of average probability of default

Aggregate has assumed that its debt instruments fit in to the speculative grade category for Moody's, Fitch and S&P, on the basis that the loans are unsecured. The speculative grade category has been used for the analysis of all debt instruments analysed in the ordinary course.

PD is determined taking into consideration the following criteria:

> PD considered is based on the years to maturity of the exposure per Moody's, S&P and Fitch. The rating agencies already factored the volatility of time in the PD's calculated; and
> Derived from the speculative grade PD, based on the rating of the country domiciliation of each borrower published by Moody's, S&P and Fitch.

It should be noted that the determination of the PD is very critical and judgemental, and the PD was assumed for each country of domiciliation of the borrowers are shown below.

Domiciliation country of borrower	Years to maturity of exposures	Average PD calculated
British Virgin Islands *	1,4	2.88%, 9.95%
Germany	1,2,5	2.88%, 5.53%, 11.59%
Gibraltar *	1	2.88%
Guernsey **	1	2.88%
Luxembourg	1,3,9	2.88%, 7.93%, 15.94%
Netherlands	1,2	2.88%, 5.53%

*Rating of United Kingdom used as country is part of the British overseas territory.
**Rating of United Kingdom used as country is part of the British Crown dependency.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Expected Credit Loss (continued)

Measuring Exposure at Default (EAD)

EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis for amortising products and bullet repayment loans. This was also adjusted for any expected overpayments made by a borrower.

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. The approach to LGD measurement can be divided into three possible approaches:

> measurement of LGD based on the specific characteristics of the collateral;
> calculation of LGD on a portfolio basis based on recovery statistics; or
> individually defined LGD depending on different factors and scenarios.

The average value-weighted recovery rate (the recovery rate) is assumed for this exercise for the determination of LGD as of 31 December 2022 as follows:

> S&P: recovery rate of 31.7%, based on the average recoveries of subordinated non-financial corporate loans, which best describes Aggregate's debt financial instruments;
> Fitch: recovery rate of 20.5%, based on the average of the range for 'Average' recovery rates. The 'Average' rate is the fourth lowest recovery rate on a six level scale; and
> Moody's: a recovery rate of 25% was used, as an average of the S&P and Fitch recovery rate. Moody's only had sovereign bond recovery rates (40.00% average) which Aggregate did not believe reflected the loans that it held

Average recovery rate derived for 2022 is 27.88%.

The LGD is computed as 100% minus the recovery rate (e.g. 27.88%) given a LG of 72.12%, using the assumptions mentioned below:

S&P

Per S&P report covering the year 2022 with industry averages derived from different sectors (infrastructure, project finance, corporate infrastructure, and non-corporate infrastructures) classified between senior unsecured loans and subordinated loans.

Moody's

Per Moody's report covering the year 2022 with value weighted recovery calculated as the average trading price in % of the par value of the bond at the time of the initial default event, 30-day post-default for missed payments or around the close of an exchange for distressed debt exchanges.

Fitch

Per Fitch report covering the year 2022, where Fitch derived the spectrum of recovery percentages from 0% to 100% into different categories or recovery ratings ("RR") calculated on a diverse portfolio basis across multiple cycles. The RR assumed as of 31 December 2022 in relation to similar instrument type of the Group are between 11% being the low end and 30% being the high end.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Expected Credit Loss (continued)

The ECL estimated as of 31 December 2022 is summarised in the below table:

Credit risk exposure

In thousands of €	Note	2022	2021
Loans receivable from related parties	13	205,222	140,093
Loans receivable from third parties	13	305,111	374,912
Deposits and guarantees	13	793	252
Financial assets at fair value through other comprehensive income	13	–	6,698
Other financial assets	13	54	15,306
Trade and other receivables	16	59,731	43,595
Cash and cash equivalents	18	273,403	392,156
Assets from discontinued operations and assets held for sale			
Trade and other receivables		760	7,285
Cash and cash equivalents		981	22,736
		846,055	**1,003,033**
Impairment losses/Expected credit losses		**156,486**	**1,685**

As of 31 December 2022, the Group has recorded an amount of €156,486 thousand (2021: €1,685 thousand) as ECLs.

Cash and cash equivalents

The Group has cash and cash equivalents amounting to €273,403 thousand as at 31 December 2022 (2021: €392,156 thousand) held with reputable financial institutions with high ratings and represent its maximum credit exposure on these assets.

The development of the property sector is largely determined by the availability of financing. The Group's ability to obtain debt financing, guarantees or derivatives or hedging lines from financial institutions or private lenders at commercially acceptable terms, including volume and costs, could depend on several factors, some of which are beyond the Group's control, such as general economic conditions, the availability of credit from financial institutions, market interest rates and global and EU monetary policy and financial markets regulation. As a result of increased levels of defaults, banks may have reduced or may in the future reduce liquidity, which could make it harder for the Group to obtain bank financing it may desire for future acquisitions or re-financing purposes.

The Group requires debt primarily to refinance existing loans and to fund project development and acquisitions. The market conditions for real estate financing are subject to continuous changes. Financing and refinancing on the banking and capital markets is one of the most important measures for real estate companies. The financing options available depend on several factors that cannot all be influenced by the Group, such as market interest rates, the amount of financing required, tax aspects and collateral required. This may significantly impair the Group's ability to increase the level of completion in its development portfolio, to invest in appropriate acquisition projects or to meet its obligations from financing agreements. Financing risks are closely linked with the risks relating to interest and liquidity. Financing risks are managed by using diversified funding sources for projects. The Group is additionally committed to reducing its leverage and the volume of mezzanine loans.

The Group monitors and assesses liquidity on a regular basis. Developments in liquidity are analysed and evaluated regularly both at Group level as well at subsidiary and project level. Liquidity plans are scrutinised along various stress scenarios, which enables us to identify and aim to counteract potentially severely arising liquidity risks.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Liquidity risks (continued)

Liquidity at Aggregate Group has been negatively impacted and has been highly constrained in the current environment by the challenging refinancing market, due to the current adverse economic conditions in the real estate market and the challenges facing the Aggregate Group.

The Group regards the financing and liquidity risks and their effects on the asset, financial and earnings position as very relevant.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (excluding interest payments):

31 December 2022

In thousands of €	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Bank and third party loans – non-current portion and current portion	1,676,859	1,760,950	1,028,418	732,533	–
Related party loans – non-current portion	34,241	100,236	100,236	–	–
Bonds and notes issues	2,881,673	3,761,202	2,237,278	1,523,924	–
Related party loans – current portion	23,829	38,914	–	38,914	–
Trade and other payables	169,903	169,903	169,903	–	–
Total	**4,786,505**	**5,831,206**	**3,535,836**	**2,295,370**	**–**
Liabilities held for sale					
Bank and third party loans – non-current portion and current portion	34,900	35,098	35,098	–	–
Bonds and notes issues	62,163	63,844	63,844	–	–
Trade and other payables	4,413	4,413	4,413	–	–
Total	**101,476**	**103,355**	**103,355**	**–**	**–**

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Liquidity risks (continued)

31 December 2021

In thousands of €	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Bank and third party loans – non-current portion and current portion	1,834,074	2,055,745	514,837	1,389,842	151,066
Related party loans – non-current portion	34,617	40,629	–	40,629	–
Bonds and notes issues	2,337,561	3,220,077	464,232	2,755,845	–
Related party loans – current portion	23,494	25,244	25,244	–	–
Trade and other payables	241,211	241,211	241,211	–	–
Total	**4,470,956**	**5,582,906**	**1,245,524**	**4,186,317**	**151,066**
Liabilities held for sale					
Bank and third party loans – non-current portion and current portion	39,145	39,681	39,681	–	–
Bonds and notes issues	622,410	677,632	677,632	–	–
Trade and other payables	10,715	10,715	10,715	–	–
Total	**672,270**	**728,028**	**728,028**	**–**	**–**

Market risks

Market risks are the risks that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The financial instruments held by the Group that are affected by market risk are principally its limited investments in shares and bonds.

The financial assets held by the Group that are affected by market risk are principally:

In thousands of €	Note	2022	2021
Financial assets at fair value through other comprehensive income	13	–	6,698
Financial assets at fair value through profit or loss	13	33,400	48,232
		33,400	**54,930**

Sensitivity analysis

An increase in equity price of the financial assets held by the Group by 10% on 31 December 2022 would have increased in profit or loss by €3,340 thousand (2021: €5,493 thousand). For a decrease of 10% there would be an equal and opposite impact in profit or loss.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Market risks (continued)

Option contracts

During the year 2022, the Company and its subsidiaries did not enter into any option agreement.

During the year 2021, the Company and its subsidiaries entered into options agreements with third parties to purchase or sell shares and bonds.

The fair value of the options on 31 December 2022 is the difference between the strike price and the market price of shares and bonds.

The following tables detail various information regarding options contracts outstanding at the end of the reporting year end. Options assets and liabilities are included in Note 17.

Financial assets relating to derivatives

	Average strike price		Quantity		Fair value	
In thousands of €	2022	2021	2022	2021	2022	2021
Less than one year	–	4.62	245,700	5,850	4,477	35,861
1 to 2 years	–	–		–	–	–
	–	**4.62**	**245,700**	**5,850**	**4,341**	**35,861**

Financial liabilities relating to derivatives

	Average strike price		Quantity		Fair value	
In thousands of €	2022	2021	2022	2021	2022	2021
Less than one year	10.90	49%	2,577	285,000	(21,247)	(53,048)
1 to 2 years	–	–	–	–	–	–
	10.90	**49%**	**2,577**	**285,000**	**(21,247)**	**(53,048)**

Financial assets relating to derivatives

	Effect on profit or loss		Effect in equity	
In thousands of €	0.1% increase	0.1% decrease	0.1% increase	0.1% decrease
31 December 2022				
Financial assets relating to derivatives	4	(4)	–	–
Cash flow sensitivity (net)	**4**	**(4)**	**–**	**–**
31 December 2021				
Variable rate instruments	36	(36)	–	–
Cash flow sensitivity (net)	**36**	**(36)**	**–**	**–**

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Market risks (continued)

Option contracts (continued)

Financial liabilities relating to derivatives

	Effect on profit or loss		Effect in equity	
In thousands of €	**0.1% increase**	**0.1% decrease**	**0.1% increase**	**0.1% decrease**
31 December 2022				
Financial liabilities relating to derivatives	(21)	21	–	–
Cash flow sensitivity (net)	**(21)**	**21**	**–**	**–**
31 December 2021				
Variable rate instruments	(53)	53	–	–
Cash flow sensitivity (net)	**(53)**	**53**	**–**	**–**

Cash flow sensitivity analysis for fixed rate instruments

The Group does not designate derivatives (option) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis of cash flows for variable rate instruments

A change of 0.1% in interest rates as at 31 December would increase (decrease) equity and in profit or loss by the amounts set out below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect of a change of 0.1% of the interest rate on instruments with variable interest:

31 December 2022

	Effect on profit or loss		Effect in equity	
In thousands of €	**0.1% increase**	**0.1% decrease**	**0.1% increase**	**0.1% decrease**
Variable rate instruments	(594)	594	–	–
Cash flow sensitivity (net)	**(594)**	**594**	**–**	**–**

31 December 2021

	Effect on profit or loss		Effect in equity	
In thousands of €	**0.1% increase**	**0.1% decrease**	**0.1% increase**	**0.1% decrease**
Variable rate instruments	(1,873)	1,873	–	–
Cash flow sensitivity (net)	**(1,873)**	**1,873**	**–**	**–**

Currency risks

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the Group's functional currency. The currencies in which these transactions are primarily denominated are GBP. The currency risk is related to the negative fluctuations of exchange rates of the stated currencies towards € in future business transactions by the recognised assets and liabilities in foreign currency.

Exposure to currency risks

All the subsidiaries of the Group where a significant foreign exchange risk arising from GBP exposure exists were sold as at 31 December 2022.

Sensitivity analysis

A 10% strengthening of the Euro (€) against the following currencies at 31 December would increase (decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Currency risks (continued)

In thousands of €	**Equity**	**Profit or loss**
2022		
10% appreciation of EUR against GBP	–	(3)
2021		
10% appreciation of EUR against GBP	–	–

A weakening of the euro against the above currencies at 31 December would have equal but opposite effect on the above currencies at the amounts shown above, on the basis that all other variables remain constant.

Interest rate risks

Interest rate risks are the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with variable interest rates.

The Group limits the impact of the changes in the interest rates with fixed rate loans in those transactions in which it is possible. In addition, the Group owns certain investments that are liquid and could be disposed of at any moment.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

In thousands of €	**2022**	**2021**
Fixed rate instruments		
Financial assets	511,180	537,261
Financial liabilities	(4,003,071)	(3,018,082)
	(3,491,891)	**(2,480,821)**
Variable rate instruments		
Financial liabilities	(594,326)	(1,873,218)
	(594,326)	**(1,873,218)**

Interest rate swap contracts

As at 31 December 2022, the Group holds swaption contract that are guaranteed for the whole amount by securities and cash, and holds the right to exercise the option to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of swaption at the reporting date is determined by external valuers based on market data on the valuation date and using generally recognized valuation models.

As at 31 December 2022:

Floating Rate	**Cap-Rate**	**Initial Date**	**Currency**	**Quantity**	**Fair Value Amount**
3 Months Euribor	2%	15 May 2019	EUR	245.700 thousand	€4,477 thousand

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Interest rate risks (continued)

Capital management

The Group policy is to maintain a strong capital base to reinforce customer, creditor, and market confidence and to sustain future development of the business.

Fair values versus carrying amounts

The Group considers that the carrying amounts of the following financial instruments are a reasonable approximation of their fair values:

- > Related party receivables (Note 13)
- > Trade and other receivables (Note 16)
- > Cash and cash equivalents (Note 18)
- > Loans and borrowings with variable rates (Note 21), and
- > Trade and other payables (Note 24).

The Group considers that trade and other receivables, receivables and payables from/to related party, trade and other payables and loans payables meet the criteria to be classified in Level 3 in the fair value hierarchy.

Based on an analysis performed to determine fair values, the Group has estimated that no observable market data is available that could be taken without applying significant adjustments when determining the fair value of these financial instruments of the Group.

The Group considers that when determining the fair values of financial instruments, a significant number of risks have an impact on determining the fair values of these financial instruments – amount of the financial instrument, maturity, type of interest, type of currency, collateral, the business environment of the parties on the financial instruments, own default risk and others.

Based on the analyses performed, the Group considers that the carrying amount of the trade and other receivables, trade and other payables and loans payables with variable interest rates could be considered a reasonable approximation of their fair value.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Fair values versus carrying amounts (continued)

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2022							Fair value			
In thousands of €	Designated at fair value through profit or loss	Fair value-hedging instruments	Amortised costs	Fair value through other com-prehensive income	Other financial liabilities at amortised costs	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Equity securities	33,400	–	–	–	–	33,400	33,400	–	–	33,400
Interest rate swap	4,477	–	–	–	–	4,477	–	4,477	–	4,477
Options	–	–	–	–	–	–	–	–	–	–
	37,877	**–**	**–**	**–**	**–**	**37,877**	**33,400**	**4,477**	**–**	**37,877**
Financial assets not measured at fair value										
Trade and other receivables	–	–	62,130	–	–	62,130	–	–	–	–
Cash and cash equivalents	–	–	273,403	–	–	273,403	–	–	–	–
Loan receivables	–	–	510,333	–	–	510,333	–	–	–	–
	–	**–**	**845,866**	**–**	**–**	**845,866**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value										
Interest rate swap	–	–	–	–	–	–	–	–	–	–
Embedded derivatives	–		–	–	–	–	–	–	–	–
Options	21,247	–	–	–	–	21,247	–	–	21,247	21,247
	21,247	**–**	**–**	**–**	**–**	**21,247**	**–**	**–**	**21,247**	**21,247**
Financial liabilities not measured at fair value										
Bank loans and other borrowings	–	–	–	–	1,734,930	1,734,930	–	–	–	–
Bonds and notes	–	–	–	–	2,881,673	2,881,673	–	–	–	–
Trade and other payables	–	–	–	–	169,903	169,903	–	–	–	–
	–	**–**	**–**	**–**	**4,786,506**	**4,786,506**	**–**	**–**	**–**	**–**

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Fair values versus carrying amounts (continued)

Accounting classifications and fair values (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2021							Fair value			
In thousands of €	Designated at fair value through profit or loss	Fair value-hedging instruments	Amortised costs	Fair value through other com-prehensive income	Other financial liabilities at amortised costs	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Equity securities	48,232	–	–	6,698	–	54,930	48,232	6,698	–	54,930
Interest rate swap	583	–	–	–	–	583	–	583	–	583
Options	35,861	–	–	–	–	35,861	–	35,861	–	35,861
	84,676	–	–	6,698	–	91,374	48,232	43,142	–	91,374
Financial assets not measured at fair value										
Trade and other receivables	–	–	47,602	–	–	47,602	–	–	–	–
Cash and cash equivalents	–	–	392,156	–	–	392,156	–	–	–	–
Loan receivables	–	–	515,005	–	–	515,005	–	–	–	–
	–	–	954,763	–	–	954,763	–	–	–	–
Financial liabilities measured at fair value										
Interest rate swap	8,654	–	–	–	–	8,654	–	8,654	–	8,654
Embedded derivatives	52,015		–	–	–	52,015	–	–	52,015	52,015
Options	1,033	–	–	–	–	1,033	–	–	1,033	1,033
	61,702	–	–	–	–	61,702	–	8,654	53,048	61,702
Financial liabilities not measured at fair value										
Bank loans and other borrowings	–	–	–	–	1,892,185	1,892,185	–	–	–	–
Bonds and notes	–	–	–	–	2,337,561	2,337,561	–	–	–	–
Trade and other payables	–	–	–	–	241,211	241,211	–	–	–	–
	–	–	–	–	4,470,957	4,470,957	–	–	–	–

There were no changes in fair value hierarchy during the year ended 31 December 2022 and 31 December 2021.

Notes to the consolidated financial statements (continued)

26. Leases

The Group together with its subsidiaries leases various offices and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options as described below.

Payments associated with short-term leases and leases of low-value assets are recognised as an expense in profit or loss when incurred.

These operating lease contracts include renting of office space as well as office equipment. These agreements confer an advantage on continuing business operations as investing measures and the associated cash outflows are not immediately required. There are no evident risks arising from these agreements. The Group does not have significant renewal or purchase options resulting from operating lease contracts.

Future minimum lease payments from operating lease agreements, with the respective remaining terms, are presented in the following table:

In thousands of €	**2022**	**2021**
Up to one year	776	877
1-5 years	1,851	2,015
Over 5 years	167	284
Total	**2,794**	**3,177**

27. Commitments and contingent liabilities

A loan at Aggregate Holdings S.A. in an amount of €18,000 thousand was secured by a share pledge over Aggregate Deutschland 2 S.A.R.L. as well as certain other security, including assignment of any sale proceeds of certain assets in the Castle portfolio.

A loan in an amount of €16,000 thousand at end of 2022 at Aggregate Deutschland 2 S.À.R.L. was secured against shares in Aggregate Deutschland S.A.

On 7 April 2022, Aggregate Holdings acceded as a guarantor of mezzanine debt at Quartier Heidestrasse GmbH (the "QH Mezzanine Debt") in an amount of up to €291,000 thousand.

Aggregate Holdings S.A. is guarantor and provided a guarantee facility for an amount of €20,000 thousand to an insurance company for Quartier Heidestrasse GmbH Group to secure possible overrun of construction costs of a maximum 7.50% of the expected total costs for the construction until 31 January 2024.

Quartier Heidestrasse GmbH Group has pledged all of its bank accounts and shares, first ranking land charge rights, insurance claims and other claims in favour of certain lenders.

The Project Fürst entities have pledged its bank accounts and shares, land charge rights, insurance claims and other claims in favour of certain financing parties in relation to the project financing.

Aggregate Holdings S.A. provided a guarantee of up to 15% of the budget of Fürst in favour of certain financing parties regarding cost overruns on Project Fürst.

Aggregate Holdings has provided put options in favour of certain financing parties regarding debt instruments at project Fürst.

Aggregate Holdings 4 S.à r.l. and Aggregate Holdings S.A. have provided a contingent commitment to issue a consideration to certain financing parties regarding Project Fürst.

Aggregate Deutschland 5 S.à r.l. and German Invest 2 S.à r.l. and its subsidiaries have pledged its shares, certain receivables, bank accounts and shares in its subsidiaries, in favour of the certain financing parties.

The Castle Investment Holdings S.à r.l. and its subsidiaries have pledged most of its bank accounts and shares, all first ranking land charge rights, insurance claims and other claims in favour of certain financing parties.

Notes to the consolidated financial statements (continued)

27. Commitments and contingent liabilities (continued)

Aggregate HH GmbH and AEIOU.102 GmbH pledged all their bank accounts, shares and first ranking land charge rights in Alsterkrugchaussee GmbH and AEIOU.102 GmbH and rights arising from sales agreement to secure the notes entered during the year.

VIC Group has pledged shares in certain subsidiaries, and first ranking land charge rights on Matinha, Pinherino and Prata in favour of certain financing parties. As at 31 December 2022 the liability guaranteed was €385,000 thousand.

Aggregate Holdings S.A. acceded as a guarantor of VIC's indebtedness under the amended and restated trust deed of the VIC pre-IPO convertible bonds dated 25 May 2022. This commitment was extinguished on 5 May 2023, Refer to Note 31 for details about subsequent events.

Aggregate was a guarantor of senior project debt related to VIC in an amount of €74,000 thousand which was subsequently released after the sale of VIC in 2023.

Certain subsidiaries of Aggregate Holdings S.A. have given typical warranties and indemnities to the buyer of L'Oscar Hotel up to a total value of £60,000 thousand. Aggregate Holdings S.A. has guaranteed the obligations of these subsidiaries capped at the same value.

Aggregate Holdings S.A. has given other corporate guarantees for an amount of €194,00 thousand to credit institutions on behalf of its subsidiaries and third parties. Aggregate Holdings S.A. has provided a comfort letter to certain of its subsidiaries.

Aggregate Holdings S.A. signed an agreement with the SSN Group AG ("SSN") on 6 June 2018 in which it acknowledged a claim of SSN in the amount of €21,000 thousand as a compensation payment resulting from the SSN transaction (share purchase). The claim had no maturity. On 5 January 2023, a claim was made for payment; The Group consulted its lawyers and objected to the claim on the basis that it was now time-barred. Following legal correspondence, the Group has entered into negotiations for a settlement agreement; no agreement has been reached to date and the parties are still in negotiations.

To the Group's knowledge, as of 31 December 2022, litigation was not pending, commenced, or threatened, nor have any such actions been commenced that could materially affect the Group's financial condition. To the Group's knowledge, no further material contingent assets and liabilities existed as of balance sheet date.

28. Related parties

Identification of related parties the Group has a related party relationship with the executive directors of significant subsidiaries within the Group.

Remunerations of executive directors

In thousands of €	2022	2021
Remunerations	(1,000)	(99)
Severance payments	–	–
	(1,000)	**(99)**

Notes to the consolidated financial statements (continued)

28. Related parties (continued)

Other related parties transactions

In thousands of €				Statement of profit or loss		Balance as at	
Name of related party	**Type of relation**	**Type of transaction/ balance**	**Nature of Settlement**	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Lavinia B.V.	Common UBO	Loan receivable	Cash	–	–	82,047	59,831
		Interest income/ receivable	Cash	5,266	2,780	2,832	2,661
		Loan payable	Cash	–	–	(1,735)	(4,894)
		Interest (expense)/ (payable)	Cash	(60)	(232)	(53)	(232)
		Other payables	Cash	–	–	(1)	–
Medeon S.à r.l.	Ultimate parent and UBO	Loan receivable	Cash	-	-	20,129	8,205
		Interest income/ receivable	Cash	1,055	219	733	149
		Other income/ Other receivable	Cash	-	7	2	7
Passiva Participations 2 S.à r.l. (previously: Aggregate Participation 2 S.à r.l.)	Common ultimate parent and UBO	Loan receivable	Cash	–	–	–	257
		Interest income/ receivable	Cash	–	37	–	18
		Other income/ Other receivable	Cash	–	21	–	21
Group Electa S.A.	Contracts with board member	Other payables	Cash	–	(4)	–	–
Consus Real Estate AG*	Subsidiary of Associate	Other payables	Cash	–	–	–	(21,000)

*Consus Real Estate AG, is no longer considered a related party for the purpose of reporting in the current year, as it does not meet the criteria set forth by applicable accounting standards.

Notes to the consolidated financial statements (continued)

28. Related parties (continued)

Other related parties transactions (continued)

In thousands of €				Statement of profit or loss		Balance as at	
Name of related party	**Type of relation**	**Type of transaction/ balance**	**Nature of Settlement**	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Corestate Bank GmbH (formerly: Aggregate Financial Services GmbH)**	Former common UBO	Financial intermediary fees	Cash	–	(8,965)	–	–
Passiva Participations S.à r.l.	Common ultimate parent and UBO	Loan receivable	Cash	–	–	45,949	45,979
		Interest income/ receivable	Cash	–	358	4,095	358
		Loan payable	Cash	–	–	(52,254)	(51,236)
		Interest (expense)/ (payable)	Cash	–	(882)	(3,950)	(1,344)
		Other income/ Other receivable	Cash	–	–	12	18
Passiva Participations 2 S.à r.l.	Common ultimate parent and UBO	Other income/ Other receivable	Cash	20	–	310	–
Passiva Participations 3 S.à r.l.	Common ultimate parent and UBO	Other income/ Other receivable	Cash	–	12	12	12
Passiva Participations 4 S.à r.l.	Common ultimate parent and UBO	Other income/ Other receivable	Cash	–	12	25	12
Passiva Participations Holding 5 S.à r.l.	Common ultimate parent and UBO	Other income/ Other receivable	Cash	–	6	6	6

**Corestate Bank GmbH is no longer considered a related party for the purpose of reporting in the current year, as it does not meet the criteria set forth by applicable accounting standards.

Notes to the consolidated financial statements (continued)

28. Related parties (continued)

Other related parties transactions (continued)

In thousands of €				Statement of profit or loss		Balance as at	
Name of related party	**Type of relation**	**Type of transaction/ balance**	**Nature of Settlement**	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Passiva Participations 5 S.à r.l.	Common ultimate parent and UBO	Other income/ Other receivable	Cash	–	244	244	244
Regon		Other income/ Other receivable	Cash	540	–	17,043	15,008
Bank Alpinum AG	Common ultimate parent and UBO	(Bank charges)/ Cash and cash equivalent	Cash	–	(57)	–	60
Taurecon Invest V GmbH	Contracts with board member	Interest income/ receivable	Cash	–	618	10,074	10,366
Taurecon Invest VIII GmbH	Contracts with board member	Interest income/ receivable	Cash	–	122	2,169	2,040
Taurecon Invest IX GmbH	Contracts with board member	(Interest expense)/ Loan (payable)	Cash	–	(5)	–	(406)
Taurecon Invest XI GmbH	Contracts with board member	Interest income/Loan receivable	Cash	894	187	18,638	9,055
Taurecon Real Estate Consulting GmbH	Contracts with board member	Loan receivable	Cash	–	79	942	855
		(Project advisory fees)/(Trade payable)	Cash	–	(2,389)	–	(630)
		(Treasury fees)/(Trade payable)	Cash	–	(54)	–	(54)

Notes to the consolidated financial statements (continued)

29. Segment information

For management reporting purpose, the Group was organised into business units based on its products and services and has the reportable segments, as follows:

a) Build and Hold.

b) Build and Sell.

c) Financial real estate and other assets for the remaining Group structure.

No operating segments have been aggregated to form the above reportable operating segments.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

As of 31 December 2022

In thousands of €	Build and Hold	Build and Sell	Financial Real Estate and Other Assets	Total
Total revenue	35,195	70,988	66,095	**172,278**
Loss before interest and tax	(641,681)	(1,100,974)	(713,253)	**(2,455,907)**
Total assets	2,786,291	772,994	1,162,665	**4,721,950**
Total liabilities	2,485,665	758,143	1,294,522	**4,538,330**
Aggregate Holdings S.A. Unsecured notes issued and financial liability on mandatory convertible bonds	–	–	705,696	**705,696**
Non-controlling interests	215,317	–	20,125	**235,442**
Equity attributable to the owners of the Group*	85,309	14,851	(857,678)	**(757,519)**
Net Debt including debts held for sale	1,919,187	657,700	1,863,096	**4,439,982**
Total assets excluding Cash and cash equivalents and excluding Cash and cash equivalents as held for sale				**4,447,566**
LTV (Net debt/Total assets excluding cash and cash equivalents)				**99.83 %**

*Net asset value includes hybrid capital notes issued to hybrid holders and mandatory convertible bonds (Note 20)

Notes to the consolidated financial statements (continued)

29. Segment information (continued)

As of 31 December 2021

In thousands of €	Build and Hold	Build and Sell	Financial Real Estate and Other Assets	Total
Total revenue	15,252	35,406	25,560	**76,218**
Earnings before interest and tax	588,801	6,251	(271,307)	**323,746**
Total assets	3,909,118	1,877,788	2,118,838	**7,905,743**
Total liabilities	2,609,345	658,238	1,504,353	**4,771,937**
Aggregate Holdings S.A. Unsecured notes issued and financial liability on mandatory convertible bonds			832,591	**832,591**
Non-controlling interests	318,274	–	23,515	**341,788**
Equity attributable to the owners of the Group*	981,499	1,219,550	(241,621)	**1,959,427**
Net Debt including debts held for sale and discontinued operations	1,904,624	497,182	2,074,602	**4,476,409**
Total assets excluding Cash and cash equivalents and excluding Cash and cash equivalents as held for sale and discontinued operations				**7,490,851**
LTV (Net debt/Total assets excluding cash and cash equivalents)				**59.76%**

*Net asset value includes hybrid capital notes issued to hybrid holders and mandatory convertible bonds (Note 20)

Notes to the consolidated financial statements (continued)

29. Segment information (continued)

Geographical information

The Group operated in two principal geographical areas – Germany and Portugal.

The Group's revenue and information about its segment assets by geographical location are detailed below:

Income from letting activities

In thousands of €	**2022**	**2021**
Germany	19,819	10,792
	19,819	**10,792**

Income from property development

In thousands of €	**2022**	**2021**
Portugal	68,851	35,283
	68,851	**35,283**

Other operating income

In thousands of €	**2022**	**2021**
Germany	36,726	4,251
Portugal	2,090	124
Other	44,792	25,768
	83,608	**30,143**

Total assets

In thousands of €	**2022**	**2021**
Germany	2,786,291	3,927,560
Portugal	772,994	1,877,788
Other	1,162,665	2,100,396
	4,721,950	**7,905,743**

Notes to the consolidated financial statements (continued)

30. Operating environment

The invasion of Ukraine is an unbearable tragedy on our continent and generates misery for millions of people. The group does not undertake activity in this region, and therefore the war and related economic sanctions are not expected to directly impact on the Group or its subsidiaries. Nevertheless, as a result of the war, energy and raw material prices continue to remain at elevated levels, and may potentially rise further, impacting the company's costs. In addition, the resulting inflationary environment, and adverse changes to macroeconomic conditions, including higher interest rates, has a material impact on the real estate sector, and companies in this sector, including Aggregate, are impacted by higher cost and reduced availability of financing, as well as reduced demand for asset sales.

Inflation levels may continue at elevated levels for a sustained period, and the rate of inflation could potentially increase further. The business climate might further deteriorate and slow down economic growth, and the availability and pricing of financing could become more restrictive. It is for the time being difficult to measure precisely the effect on the operations of the Group but it is probable that this deteriorated environment will impact most businesses in the real estate sector. The Board of Directors continues to monitor global geopolitical and macroeconomic developments, and the impact on the operations of the Company and the Group, and believes the estimates and assumptions underlying the annual accounts are reasonable and supportable based on the information available.

31. Subsequent events

On 24 January 2023 Aggregate agreed to increase the loan at Aggregate Deutschland 2 S.a.r.l. by €19,600 thousand in order to convert certain fees owed to a finance provider into a loan.

On 25 March 2023 Aggregate issued a €14,700 thousand tap of the 2% Mandatory Convertible Notes due 2025.

On 5 May 2023 Aggregate completed the sale of VIC Properties. As a result of the transaction all debt relating to VIC entities was transferred outside Aggregate group, including VIC project debt, the €250,000 thousand 3.00 percent secured Pre-IPO Convertible Bonds due 2025 ("VIC Bonds") and the 5.0% VIC unsecured Notes due 2023. At closing Aggregate Holdings S.A. was fully released from its guarantee of the VIC Bonds. Aggregate was also released from its guarantee of VIC project debt subsequent to the sale transaction. Aggregate received an equity participation in the post-sale group, entitling it to receive 5% of all net distributions to the new investors in excess of €1 billion. As a result of the transaction, a substantial reduction in goodwill of €1,067,919 thousand of was recognised, as the total consideration which consisted of the transfer of VIC debt along with a nominal purchase price for the shares, was significantly less than the book value of the assets sold. Aggregate group provided certain indemnities and warranties in favour of the purchasers as part of the sale transaction.

On 11 May, Aggregate sold loans to third parties of €179.7 million at face value and received as consideration the complete issuance of the Aggregate Deutschland S.A. hybrid capital bonds which had a par value of €195.7 million including accrued interest.

On 25 May 2023, Aggregate published in the German Federal Gazette the results of Votes Without Meeting (*Abstimmungen ohne Versammlung*) held in connection with amendments to its €600,000 thousand 6.875% notes due 2025 and €250,000 thousand 5.500% notes due 2024. Extraordinary Resolutions were passed with the required majority in the Vote Without Meeting in connection with both series of bonds. As a result of the amendments for both series of bonds, coupon payments are deferred until maturity with a step-up in interest rate of 2.75%, the LTV and interest coverage covenants were removed, and definition of Material Subsidiary was amended. In addition, the maturity date for the 2024 Notes was amended to 9 November 2025.

On 1 June 2023, QH Development 9 GmbH & Co. KG sold the Quartier Heidestrasse segment Crown I, a real estate development land plot. The proceeds of the sale were primarily used to redeem loans and outstanding development costs at the QH Development 9 GmbH & Co. KG property company level.

Aggregate is in negotiations with the financing providers to its Fürst project, in order to secure incremental funding for cost overruns and an extension to allow for delayed completion. Certain counterparties have taken or have threatened to take actions to preserve or advance their rights in relation to the debt held or enforcing security they have been granted. The eventual outcome of negotiations will likely result in a reduction in Aggregate's equity interest in the project, and if unsuccessful will result in a restructuring and/or Aggregate not having an interest in the project going forward.

Notes to the consolidated financial statements (continued)

31. Subsequent event (continued)

Aggregate is in negotiations with the financing providers to its QH Track project, in order to secure incremental funding for cost overruns and an extension to allow for delayed completion. Certain of these facilities are in default and negotiations are highly uncertain. The eventual outcome of negotiations will likely result in a reduction in Aggregate's equity interest in the project, and if unsuccessful will result in a restructuring and/or Aggregate not having an interest in the project going forward.

Aggregate is in negotiations with the financing providers to its Castle development portfolio, in order to secure an extension or standstill to allow for refinancing and asset sales of certain assets, in combination with incremental funding for relevant development milestones. The facilities related to this portfolio are in default and negotiations are ongoing. The eventual outcome of negotiations will likely result in a reduction in Aggregate's equity interest in the projects, and if unsuccessful will result in a restructuring and/or Aggregate not having any interest in the projects going forward.

The Group is engaged in constructive discussions to address existing or anticipated breaches of the terms & conditions of a significant number of its debt facilities including non-payment of interest and/or principal when due. These discussions aim to achieve required amendments or waivers, and resolve any existing issues, as well as provide additional funding for capex. Certain counterparties have taken or have threatened to take actions to preserve or advance their rights in relation to the debt held or enforcing security they have been granted. Although Aggregate Holdings S.A. is involved in discussions and aims to successfully negotiate solutions these matters, there can be no assurance that any or all negotiations will be successfully concluded, or that the outcome of any negotiations will result in Aggregate continuing to own any or all of its existing equity interests in the relevant projects or companies.

31. List of shareholdings

The list of the consolidated subsidiaries and sub-Groups as per 31 December 2022 is as follows:

		2022		2021		2020		
Name of the subsidiary	Country	% Control	% Interest	% Control	% Interest	% Control	% Interest	Consolidation Method
Aggregate UK S.A.	Luxembourg	100	100	100	100	100	100	Full
VIC Properties Holdings S.A.	Luxembourg	100	100	100	100	100	100	Full
VIC Properties S.A.	Luxembourg	100	100	100	100	100	100	Full
VIC One S.à r.l.	Luxembourg	100	100	100	100	100	100	Full
Smarfil S.A.	Luxembourg	100	100	100	100	100	100	Full
Aggregate Deutschland S.A.	Luxembourg	100	100	100	100	100	100	Full
Aggregate Deutschland 2 S.à r.l.	Luxembourg	100	100	100	100	100	100	Full
Aggregate Deutschland 3 S.A.	Luxembourg	100	100	100	100	–	–	Full
Aggregate Deutschland 4 S.à r.l.	Luxembourg	100	100	100	100	–	–	Full
Aggregate Deutschland 5 S.à r.l.	Luxembourg	100	100	100	100	–	–	Full
Aggregate Deutschland 6 S.à r.l.	Luxembourg	100	100	100	100	–	–	Full
Aggregate Holdings Invest S.A.	Luxembourg	100	100	100	100	100	100	Full
Adler Group S.A.	Luxembourg	5.6	5.6	26.6	26.6	26.6	26.6	FVPL/Equity
Aggregate Holdings 2 S.A.	Luxembourg	100	100	100	100	100	100	Full
Castle Investment Holding S.à r.l. (previously Aggregate Holdings 3 S.à r.l.)	Luxembourg	100	100	100	100	100	100	Full
Aggregate Holdings 4 S.à r.l.	Luxembourg	100	100	100	100	100	100	Full
Aggregate Energy S.A. (previously Aggregate Holdings 7 S.A.)	Luxembourg	100	100	100	100	–	–	Full
Aggregate Holdings 6 S.à r.l.	Luxembourg	100	100	100	100	–	–	Full

Notes to the consolidated financial statements (continued)

31. List of shareholdings (continued)

		2022		2021		2020		
Name of the subsidiary	Country	% Control	% Interest	% Control	% Interest	% Control	% Interest	Consolidation Method
Deutsche Nordsee Energie S.à r.l. (previously Aggregate Holdings 7 S.à r.l.)	Luxembourg	100	100	100	100	–	–	Full
Aggregate Holdings 8 S.à r.l.	Luxembourg	100	100	100	100	–	–	Full
German Invest 2 S.à r.l.	Luxembourg	100	100	100	100	100	100	Full
Revenite Austria Holdings S.A.	Luxembourg	100	100	100	100	100	100	Full
Revenite Austria S.à r.l.	Luxembourg	100	100	100	100	100	100	Full
Ionview Holdings S.à r.l.	Luxembourg	100	100	100	100	–	–	Full
Project Lietzenburger Straße Holdco S.à r.l.	Luxembourg	100	100	100	100	–	–	Full
Project Lietzenburger Straße PropCo S.à r.l.	Luxembourg	89.9	89.9	89.9	89.9	–	–	Full
Sarir Holding GmbH	Austria	100	100	100	100	–	–	Full
Sulafat Holding GmbH	Austria	100	100	100	100	–	–	Full
Etamin GmbH & Co. KG	Austria	100	100	100	100	–	–	Full
Hamamelis GmbH & Co. KG	Austria	100	100	100	100	–	–	Full
VIC Management Unipessoal Lda	Portugal	100	100	100	100	100	100	Full
VIC Mediação Imobiliária Lda	Portugal	100	100	100	100	100	100	Full
VIC Construções Lda.	Portugal	100	100	100	100	100	100	Full
Potential Sketch Investimentos Imobiliários Lda.	Portugal	100	100	100	100	100	100	Full
Fundo de Investimento Imobiliário Fechado Lisfundo	Portugal	100	100	100	100	100	100	Full
Herdade do Pinheirinho Resort S.A.	Portugal	100	100	100	100	100	100	Full
Herdade do Pinheirinho II - Investimento Imobiliário S.A.	Portugal	100	100	100	100	100	100	Full
Roundialogue Investimentos Imobiliários Lda.	Portugal	100	100	100	100	–	–	Full
Recovering Dreams Investimentos Imobiliários Lda.	Portugal	100	100	100	100	–	–	Full
Reality Followers Investimentos Imobiliários Lda.	Portugal	100	100	100	100	–	–	Full
Joyful Terrace Investimentos Imobiliários Lda.	Portugal	100	100	100	100	–	–	Full
Montarius Holding Limited	Cyprus	100	100	100	100	100	100	Full
Solenti Limited	Cyprus	100	100	100	100	100	100	Full
Aggregate Isle of Mann 2 Limited	Isle of Mann	100	100	100	100	100	100	Full
Aggregate Isle of Mann 3 Limited	Isle of Mann	100	100	100	100	100	100	Full
Aggregate Isle of Mann 4 Limited	Isle of Mann	100	100	100	100	100	100	Full

Notes to the consolidated financial statements (continued)

31. List of shareholdings (continued)

		2022		2021		2020		
Name of the subsidiary	Country	% Control	% Interest	% Control	% Interest	% Control	% Interest	Consolidation Method
Fliptag Investments Limited BV.	British Virgin Islands	–	–	100	100	100	100	Sold/Full
Havza Limited	Ireland	–	–	100	100	100	100	Sold/Full
Oldbourne & Oldbourne Hospitality Limited	United Kingdom	–	–	100	100	100	100	Sold/Full
Aggregate UK Services Limited	United Kingdom	100	100	100	100	–	–	Full
DVIPA Holdings Maldives PVT Limited	Maldives	99	99	99	99	–	–	Full
Aggregate Management GmbH	Germany	100	100	100	100	100	100	Full
Quartier Heidestrasse GmbH	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs GmbH	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs II GmbH	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs III GmbH	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs IV GmbH	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs V GmbH	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
QH Development 1 GmbH & Co. KG	Germany	–	–	94.9	94.9	94.9	94.9	Sold/Full
QH Development 2 GmbH & Co. KG	Germany	–	–	94.9	94.9	94.9	94.9	Sold/Full
QH Development 3 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
QH Development 4 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
QH Development 5 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
QH Development 6 GmbH & Co. KG	Germany	–	–	94.9	94.9	94.9	94.9	Sold/Full
QH Development 7 GmbH & Co. KG	Germany	–	–	94.9	94.9	94.9	94.9	Sold/Full
QH Development 8 GmbH & Co. KG	Germany	–	–	94.9	94.9	94.9	94.9	Sold/Full
QH Development 9 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
QH Management GmbH	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
QH Mobility GmbH	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
QH Betriebsvorrichtungen GmbH	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full

Notes to the consolidated financial statements (continued)

31. List of shareholdings (continued)

		2022		2021		2020		
Name of the subsidiary	Country	% Control	% Interest	% Control	% Interest	% Control	% Interest	Consolidation Method
Quartier Heidestrasse Hold Co GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Hold Co II GmbH & Co. KG	Germany	–	–	94.9	94.9	94.9	94.9	Sold/Full
Quartier Heidestrasse Hold Co III GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	94.9	94.9	Full
Aggregate HH GmbH	Germany	100	100	100	100	100	100	Full
Go West GmbH	Germany	100	100	100	100	100	100	Full
Alster Krug Chausse 366 Verwaltungs GmbH	Germany	72.5	72.5	72.5	72.5	72.5	72.5	Full
AEIOU 102 GmbH	Germany	72.5	72.5	72.5	72.5	72.5	72.5	Full
KMS 232 Invest GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
Projektgesellschaft Ringbahnstr. 2-14 GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
Projektgesellschaft Ringbahnstr. 2-14 GmbH II	Germany	89.9	89.9	89.9	89.9	–	–	Full
Projektgesellschaft Ringbahnstr. 2-14 GmbH III	Germany	89.9	89.9	89.9	89.9	–	–	Full
Kudamm 206 Betriebsgesellschaft mbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
Story Berlin Betriebsgesellschaft mbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
ZA Castle GmbH	Germany	100	100	100	100	–	–	Full
Niederrad Entiwcklungs GmbH	Germany	100	100	100	100	–	–	Full
AHZ Adlershof Entwicklungs GmbH	Germany	100	100	100	100	–	–	Full
The Harbour Projekt GmbH	Germany	100	100	100	100	–	–	Full
The Walter PG GmbH	Germany	100	100	100	100	–	–	Full
The Walter Holding GmbH	Germany	100	100	100	100	–	–	Full
The Walter PG II GmbH	Germany	100	100	100	100	–	–	Full
The Walter PG III GmbH	Germany	100	100	100	100	–	–	Full
Hauptstadt Living PG GmbH	Germany	100	100	100	100	–	–	Full
Heart Office PG GmbH	Germany	100	100	100	100	–	–	Full
Northrine DUS GmbH	Germany	100	100	100	100	–	–	Full
Green Living PG GmbH	Germany	100	100	100	100	–	–	Full
Green Living EG GmbH	Germany	100	100	100	100	–	–	Full
CBP Entwicklungsgesellschaft mbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
NPG Niederrad Projekt GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
Spree-Elster-Area GmbH	Germany	85	85	85	85	–	–	Full

Notes to the consolidated financial statements (continued)

31. List of shareholdings (continued)

Name of the subsidiary	Country	2022 % Control	2022 % Interest	2021 % Control	2021 % Interest	2020 % Control	2020 % Interest	Consolidation Method
The Harbour Entwickjlungsgesellschaft mbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
The Walter Development GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
J.O. Housing I GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
J.O. Housing II GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
J.O. Housing III GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
Small Walter GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
Rhine and Fine PG GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
Hauptstadt Living Entwicklungs GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
Heart Office Entwicklungs GmbH	Germany	89.9	89.9	89.9	89.9	–	–	Full
Baumschulen Berlin Baumschulenweg GmbH *	Germany	75.1	75.1	75.1	75.1	–	–	Full
The Theo PG GmbH	*Germany*	89.9	89.9	89.9	89.9	–	–	Full
QH1 GP Sarl	Luxembourg	99.9	99.9	–	–	–	–	Full
QH1 SCS	Luxembourg	99.9	99.9	–	–	–	–	Full
QH2 GP Sarl	Luxembourg	99.9	99.9	–	–	–	–	Full
QH2 SCS	Luxembourg	99.9	99.9	–	–	–	–	Full
QHC1 GP Sarl	Luxembourg	99.9	99.9	–	–	–	–	Full
QHC1 SCS	Luxembourg	99.9	99.9	–	–	–	–	Full
QHC2 GP	Luxembourg	99.9	99.9	–	–	–	–	Full
QHC2 SCS	Luxembourg	99.9	99.9	–	–	–	–	Full

* The balance sheet and profit and loss account included in the consolidation scope are based on management accounts as of 31 December 2022 and for the period ended 31 December 2022 as the entity year-end is 30 June.